

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2026
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 001-41704

FORTREA HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

8 Moore Drive Durham, North Carolina

(Address of principal executive offices)

92-2796441

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

27713

(Zip Code)

(Registrant's telephone number, including area code) **(877)-495-0816**

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, \$0.001 par value	FTRE	The NASDAQ Stock Market LLC
Rights to Purchase Series A Preferred Stock, par value \$0.001 per share	-	The NASDAQ Stock Market LLC

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 and post 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. (Check one):

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 ☒

The registrant had outstanding 94.6 million shares of common stock as of May 1, 2026.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

FORTREA HOLDINGS INC. **CONDENSED CONSOLIDATED BALANCE SHEETS** (in millions) (unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 147.5	\$ 174.6
Accounts receivable and unbilled services, net	619.6	589.7
Prepaid expenses and other	114.4	132.9
Total current assets	881.5	897.2
Property, plant and equipment, net	157.1	149.5
Goodwill, net	950.8	960.0
Intangible assets, net	601.7	622.0
Deferred income taxes	6.2	6.2
Other assets, net	86.1	80.8
Total assets	\$ 2,683.4	\$ 2,715.7
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 70.8	\$ 29.7
Accrued expenses and other current liabilities	357.3	395.8
Unearned revenue	481.3	473.8
Current portion of long-term debt	10.9	4.8
Short-term operating lease liabilities	8.8	9.2
Total current liabilities	929.1	913.3
Long-term debt, less current portion	1,042.6	1,048.0
Operating lease liabilities	55.7	54.0
Deferred income taxes and other tax liabilities	92.3	97.6
Other liabilities	37.8	39.3
Total liabilities	2,157.5	2,152.2
Commitments and contingent liabilities (Note 8)		
Equity		
Common stock, 94.6 and 93.1 shares outstanding at March 31, 2026 and December 31, 2025, respectively	0.1	0.1
Additional paid-in capital	2,128.0	2,116.6
Accumulated deficit	(1,406.8)	(1,383.2)
Accumulated other comprehensive loss	(195.4)	(170.0)
Total equity	525.9	563.5
Total liabilities and equity	\$ 2,683.4	\$ 2,715.7

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

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Revenues	\$ 636.5	\$ 651.3
Costs and expenses:		
Direct costs, exclusive of depreciation and amortization	512.9	534.8
Selling, general and administrative expenses, exclusive of depreciation and amortization	100.5	121.8
Depreciation and amortization	19.8	19.5
Goodwill and other asset impairments	—	488.8
Restructuring and other charges	6.7	6.5
Total costs and expenses	639.9	1,171.4
Operating loss	(3.4)	(520.1)
Other income (expense):		
Interest expense	(19.1)	(22.3)
Foreign exchange gain (loss)	9.7	(5.6)
Other, net	0.5	—
Loss before income taxes	(12.3)	(548.0)
Income tax expense	11.3	14.9
Net loss	\$ (23.6)	\$ (562.9)
Earnings (loss) per common share		
Basic and diluted	\$ (0.25)	\$ (6.25)

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

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (23.6)	\$ (562.9)
Foreign currency translation adjustments	(25.9)	45.2
Unrealized gain (loss) on derivative instruments	0.6	(0.7)
Other comprehensive (loss) income before tax	(25.3)	44.5
(Provision) benefit for income tax related to items of comprehensive income	(0.1)	0.2
Other comprehensive (loss) income, net of tax	(25.4)	44.7
Comprehensive loss	<u>\$ (49.0)</u>	<u>\$ (518.2)</u>

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

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions)
(unaudited)

	<u>Common Stock</u>					
	Shares	Amounts	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2025	93.1	\$ 0.1	\$ 2,116.6	\$ (1,383.2)	\$ (170.0)	\$ 563.5
Net loss	—	—	—	(23.6)	—	(23.6)
Other comprehensive loss, net of tax	—	—	—	—	(25.4)	(25.4)
Stock compensation	—	—	11.4	—	—	11.4
Issuance of common stock under employee stock plan	1.5	—	—	—	—	—
Balance at March 31, 2026	94.6	\$ 0.1	\$ 2,128.0	\$ (1,406.8)	\$ (195.4)	\$ 525.9

	<u>Common Stock</u>					
	Shares	Amounts	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2024	89.7	\$ 0.1	\$ 2,042.2	\$ (397.0)	\$ (282.9)	\$ 1,362.4
Net loss	—	—	—	(562.9)	—	(562.9)
Other comprehensive income, net of tax	—	—	—	—	44.7	44.7
Stock compensation	—	—	14.6	—	—	14.6
Issuance of common stock under employee stock plan	0.8	—	—	—	—	—
Balance at March 31, 2025	90.5	\$ 0.1	\$ 2,056.8	\$ (959.9)	\$ (238.2)	\$ 858.8

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

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions) (unaudited)

	Three Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (23.6)	\$ (562.9)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	19.8	19.5
Stock compensation	11.4	14.6
Credit loss expense	3.0	4.5
Operating lease right-of-use asset expense	2.0	3.0
Operating lease right-of-use asset impairment	—	3.2
Goodwill and other asset impairments	—	488.8
Deferred income taxes	(4.0)	(6.6)
Unrealized foreign exchange movements	(8.2)	9.4
Other, net	0.4	0.3
Changes in assets and liabilities:		
Increase in accounts receivable and unbilled services, net	(33.7)	(70.5)
Decrease in prepaid expenses and other	11.4	17.6
Increase (decrease) in accounts payable	41.3	(28.4)
Increase in deferred revenue	6.6	10.4
Decrease in accrued expenses and other	(43.4)	(27.1)
Net cash used for operating activities	(17.0)	(124.2)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(8.0)	(2.9)
Proceeds from sale of business, net	—	19.0
Net cash (used for) provided by investing activities	(8.0)	16.1
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	—	166.5
Payments on revolving credit facilities	—	(77.5)
Debt issuance costs	—	(0.6)
Net cash provided by financing activities	—	88.4
Effect of exchange rate changes on cash and cash equivalents	(2.1)	2.8
Net change in cash and cash equivalents	(27.1)	(16.9)
Cash and cash equivalents at beginning of period	174.6	118.5
Cash and cash equivalents at end of period	\$ 147.5	\$ 101.6

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

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

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

Description of Business

Fortrea Holdings Inc. (“Fortrea” or the “Company”), a Delaware corporation incorporated on January 31, 2023, is a leading global contract research organization (“CRO”) providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. The Company offers customers highly flexible delivery models that include Full Service, Functional Service Provider, and Hybrid Service structures. The Company has a rich history of providing clinical development services for more than 30 years across more than 20 therapeutic areas. The Company leverages its global scale, clinical data insights, scientific and therapeutic expertise, technology innovation, industry network and decades of experience as a standalone company and as a business unit prior to its spin-off from Labcorp Holdings Inc. to deliver tailored solutions to its customers. With what the Company believes is a distinctive market offering, Fortrea meets growing global demand for clinical development services. The Company has established access to all key markets worldwide through a strategic footprint of primary office locations in five countries (the United States, the United Kingdom, China, India and Japan) with field operations in other jurisdictions worldwide.

On March 9, 2024, the Company, together with its wholly-owned subsidiary, Fortrea Inc., entered into an Asset Purchase Agreement with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, to sell the operations of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries; which are all collectively referred to as the Enabling Services Segment (the “Transaction”). The final adjusted purchase price for the Transaction was \$340.0, subject to customary purchase price adjustments, with \$295.0 paid at closing and \$45.0 to be paid upon achievement of certain transition-related milestones. The Transaction closed during the second quarter of 2024. The first milestone payment in the amount of \$20.0 was received in the first quarter of 2025. The second and final milestone payment in the amount of \$25.0 was received in the third quarter of 2025.

Reportable Segment

The Company manages its business in one reportable segment, Clinical Services, which provides phase I-IV clinical trials, including clinical pharmacology and comprehensive clinical development capabilities. The Company’s chief operating decision maker allocates resources and assesses performance for the Clinical Services segment. For further financial information about the segment, see Note 13, “Business Segment Information”.

Unaudited Interim Financial Information

The Company’s unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments necessary for a fair statement of results of operations, cash flows, and financial position have been made. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company’s audited consolidated and combined financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and unbilled services.

The Company maintains cash and cash equivalents with various major financial institutions. These financial institutions are generally highly rated and geographically dispersed. The Company evaluates the relative credit standing of these financial institutions and has not sustained credit losses from instruments held at financial institutions.

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

Substantially all of the Company's accounts receivable and unbilled services are with companies in the pharmaceutical, biotechnology and medical device industries. As of March 31, 2026, one pharmaceutical customer accounted for 18.5% of the Company's combined gross accounts receivable and unbilled services. As of December 31, 2025, one pharmaceutical customer accounted for approximately 18.3% of the Company's combined gross accounts receivable and unbilled services. Additionally, for the three months ended March 31, 2026, one customer accounted for approximately 17.2% of revenues. For the three months ended March 31, 2025, one customer accounted for 15.4% of revenues. Concentrations of credit risk are mitigated due to the number of the Company's customers as well as their dispersion across many different geographic regions. Additionally, the Company applies assumptions and judgments, including historical collection experience and reasonable and supportable forecasts, for assessing collectability and determining allowances for doubtful accounts.

Recently Issued and Adopted Accounting Standards

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The new guidance requires disclosure of certain costs and expenses in the notes to the financial statements. This guidance is effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The disclosures required under the guidance can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all periods presented in the financial statements. The Company is currently evaluating the impact this guidance will have on its financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The new guidance simplifies the accounting for internally developed software by replacing the existing phase-based capitalization model with a principles-based approach that focuses on management's authorization and the probability of project completion. The guidance is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Entities may apply the guidance using a prospective, retrospective, or modified transition approach, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. This ASU establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. The guidance is intended to improve consistency and transparency by providing a comprehensive accounting framework for government grants under U.S. GAAP. The guidance is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its financial statements and disclosures.

2. REVENUES

The Company's revenues by geography for the three months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31, 2026				Three Months Ended March 31, 2025			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenues	\$ 296.8	\$ 213.9	\$ 125.8	\$ 636.5	\$ 309.5	\$ 200.3	\$ 141.5	\$ 651.3

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

Revenue from the United States comprises substantially all revenue in North America.

Contract Costs

The following table provides information about contract asset balances:

	March 31, 2026	December 31, 2025
Sales commission assets	\$ 21.5	\$ 21.4
Deferred contract costs	0.3	0.4
Total	<u>\$ 21.8</u>	<u>\$ 21.8</u>

Amortization related to sales commission assets for the three months ended March 31, 2026 and 2025 was \$3.3 and \$3.1, respectively. Amortization related to deferred contract costs for the three months ended March 31, 2026 and 2025 was \$0.1 and \$0.2, respectively. The Company applies the practical expedient to not recognize the effect of financing in its contracts with customers when the difference in timing of payment and performance is one year or less.

Accounts Receivable, Unbilled Services and Unearned Revenue

The following table provides information about accounts receivable, unbilled services and unearned revenue from contracts with customers:

	March 31, 2026	December 31, 2025
Accounts receivable	\$ 129.0	\$ 113.6
Unbilled services	527.5	517.3
Less: allowance for credit losses	(36.9)	(41.2)
Total	<u>\$ 619.6</u>	<u>\$ 589.7</u>
Unearned revenue	\$ 481.3	\$ 473.8

Revenue recognized during the period that was included in the unearned revenue balance at the beginning of the period was \$154.9 and \$88.7 for the three months ended March 31, 2026 and 2025, respectively. Additionally, as of the quarter ended March 31, 2026, the Company had sold \$300.0 of receivables as described in the *Receivables Securitization Program* section below.

Credit Loss Rollforward

The Company estimates future expected losses on accounts receivable and unbilled services over the remaining collection period of the instrument.

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

The rollforward for the allowance for credit losses for the three months ended March 31, 2026 is as follows:

Allowance for credit losses as of December 31, 2025	\$	41.2
Credit loss expense		3.0
Write-offs		(7.3)
Allowance for credit losses as of March 31, 2026	\$	36.9

Performance Obligations Under Long-Term Contracts

As of March 31, 2026, approximately \$4,615.6 of revenues are expected to be recognized from remaining performance obligations. The Company expects to recognize approximately 27% of the existing performance obligations as of March 31, 2026 as revenue over the next 12 months and the remaining balance thereafter. The Company's long-term contracts generally range from one to eight years. The customer contract transaction price allocated to the remaining performance obligations differs from backlog in that it does not include wholly unperformed contracts under which the customer has a unilateral right to cancel the arrangement.

During the three months ended March 31, 2026, there were reductions of approximately \$1 in revenue related to performance obligations partially satisfied in previous periods. The change was associated with both changes in estimated effort to complete customer contract obligations of \$(5) and changes in scope or price of \$4.

During the three months ended March 31, 2025, there were reductions of approximately \$16 in revenue related to performance obligations partially satisfied in previous periods. The majority of the change was associated with changes in scope or price of \$(13) and a smaller portion related to changes in estimated effort to complete customer contract obligations of \$(3).

The Company applies the practical expedient and does not disclose information about remaining performance obligations where (i) the performance obligation is part of a contract that has an original expected duration of one year or less or (ii) when the Company recognizes revenue from the satisfaction of the performance obligation in accordance with the right-to-invoice practical expedient.

Receivables Securitization Program

On May 6, 2024, the Company entered into a three-year \$300.0 accounts receivable securitization program (the "Receivables Facility"). Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity ("SPE"), who in turn, may sell receivables to a third-party financial institution in exchange for cash. The facility is without recourse to the Company or any subsidiaries of the Company, other than with respect to limited indemnity obligations of Fortrea Inc., in respect to the character of the receivables sold and as to the performance of its duties as servicer and a limited performance guaranty by the Company. All unsold accounts receivable held by the SPE are pledged as collateral to secure the collectability of the sold receivables.

On February 24, 2026, the Company amended its Receivables Facility, which had been scheduled to terminate on May 6, 2027. The amended Receivables Facility is scheduled to terminate on February 23, 2029, unless terminated earlier pursuant to its terms.

As of March 31, 2026, the Company had sold \$300.0 of receivables, which were derecognized from the Company's consolidated balance sheet as described in the *Accounts Receivable, Unbilled Services and Unearned Revenue* section above. Total costs associated with the sale were \$4.7 and \$4.4 for the three months ended March 31, 2026 and 2025, respectively, and are included within selling, general and administrative costs in the condensed consolidated statements of operations.

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

3. RESTRUCTURING AND OTHER CHARGES

In the fourth quarters of 2024 and 2025, the Company approved restructuring plans to streamline its operations and eliminate redundant positions. These plans, which relate primarily to severance benefits, were accounted for under ASC 712, *Compensation - Nonretirement Postemployment Benefits*. Action under these restructuring plans are expected to continue through 2026.

The following represents the Company's restructuring accrual activities for the periods indicated:

	Severance and Other Employee Costs	Facility and Other Costs	Total
Balance as of December 31, 2025	\$ 22.9	\$ 0.5	\$ 23.4
Restructuring charges	4.6	1.0	5.6
Cash payments and other adjustments	(16.7)	(1.0)	(17.7)
Balance as of March 31, 2026	<u>\$ 10.8</u>	<u>\$ 0.5</u>	<u>\$ 11.3</u>

	Severance and Other Employee Costs	Facility and Other Costs	Total
Balance as of December 31, 2024	\$ 23.1	\$ 0.6	\$ 23.7
Restructuring charges	1.2	0.6	1.8
Cash payments and other adjustments	(10.2)	(0.6)	(10.8)
Balance as of March 31, 2025	<u>\$ 14.1</u>	<u>\$ 0.6</u>	<u>\$ 14.7</u>

The restructuring liabilities are current as of March 31, 2026 and December 31, 2025 and are included in accrued expenses and other current liabilities in the condensed consolidated balance sheets.

4. EARNINGS (LOSS) PER SHARE

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

The following represents the computation of basic and diluted earnings (loss) per share.

	Three Months Ended March 31,					
	2026			2025		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) per share:						
Net earnings (loss)	\$ (23.6)	93.6	\$ (0.25)	\$ (562.9)	90.1	\$ (6.25)

Diluted earnings per share represent the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. These potential shares include dilutive stock options and unissued restricted stock awards. Potential common shares are also considered antidilutive in the event of a net loss from operations. There were no dilutive common shares for any period presented as the inclusion would be antidilutive.

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

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

	Three Months Ended March 31,	
	2026	2025
Employee stock options and awards	0.6	2.5
Antidilutive employee stock options and awards excluded based on reporting a net loss for the period	4.5	1.1

5. GOODWILL

During the three months ended March 31, 2025, due to a sustained decline in the Company's share price and uncertainties in global macroeconomic conditions, the Company determined that an indicator of impairment existed. As a result, the Company performed an interim impairment test.

For the goodwill impairment test as of March 31, 2025, the fair values of the Clinical Development and Clinical Pharmacology reporting units were computed using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. For the market-based approach, the Company utilizes a number of factors such as publicly available information regarding the market capitalization of the Company as well as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit.

The income-based fair value methodology requires management's assumptions and judgments regarding economic conditions in the markets in which the Company operates and conditions in the capital markets, many of which are outside of management's control. At the reporting unit level, fair value estimation requires management's assumptions and judgments regarding the effects of overall economic conditions on the specific reporting unit, along with assessment of the reporting unit's strategies and forecasts of future cash flows. Forecasts of individual reporting unit cash flows involve management's estimates and assumptions regarding:

- Annual cash flows, on a debt-free basis, arising from future revenues and profitability, changes in working capital, capital spending and income taxes for at least a five-year forecast period.
- A terminal growth rate for years beyond the forecast period. The terminal growth rate is selected based on consideration of growth rates used in the forecast period, historical performance of the reporting unit and economic conditions.
- A discount rate that reflects the risks inherent in realizing the forecasted cash flows. A discount rate considers the risk-free rate of return on long-term treasury securities, the risk premium associated with investing in equity securities of comparable companies, the beta obtained from the comparable companies and the cost of debt for investment grade issuers. In addition, the discount rate may consider any Company-specific risk in achieving the prospective financial information.

Under the market-based fair value methodology, judgment is required in evaluating market multiples and recent transactions. Management believes that the assumptions used for its impairment tests are representative of those that would be used by market participants performing similar valuations of the reporting units.

FORTREA HOLDINGS INC.
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Based upon the results of the qualitative and quantitative assessments as of March 31, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of \$488.8.

The changes in the carrying amount of goodwill for the three months ended March 31, 2026 and 2025 are as follows:

	March 31, 2026	March 31, 2025
Balance as of December 31	\$ 960.0	\$ 1,710.4
Impairment	—	(488.8)
Foreign currency impact and other adjustments to goodwill	(9.2)	20.9
Balance as of March 31	<u>\$ 950.8</u>	<u>\$ 1,242.5</u>

6. DEBT

The current portion of long-term debt consisted of the following:

	March 31, 2026	December 31, 2025
Current portion of senior secured term loan A facility due 2028	\$ 11.0	\$ 4.8
Debt issuance discount and fees	(0.1)	—
Total short-term borrowings and current portion of long-term debt	<u>\$ 10.9</u>	<u>\$ 4.8</u>

Long-term debt consisted of the following:

	March 31, 2026	December 31, 2025
7.5% senior notes due 2030	\$ 494.3	\$ 494.3
Senior secured term loan A due 2028	406.3	412.5
Senior secured term loan B due 2030	154.7	154.7
Debt issuance discount and fees	(12.7)	(13.5)
Total long-term debt	<u>\$ 1,042.6</u>	<u>\$ 1,048.0</u>

Senior Notes

On June 27, 2023, the Company issued \$570.0 aggregate principal amount of 7.50% senior notes due 2030 (the “Notes”). Interest on these notes is payable semi-annually on January 1 and July 1 of each year. Net proceeds from the offering of the Notes were \$560.2 after deducting expenses of the offering.

Credit Facilities

On June 30, 2023, Fortrea entered into a credit agreement (as amended, the “Credit Agreement”) providing for (i) a senior secured revolving credit facility in the principal amount of up to \$450.0; (ii) a five-year \$500.0 first lien senior secured term A loan facility; and (iii) a seven-year \$570.0 first lien senior secured term B loan facility. The initial revolving facility includes a \$75.0 swingline sub-facility and a \$75.0 letter of credit sub-facility.

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The Company drew on the term loan A and term loan B on June 30, 2023. The net proceeds received for the term A and term B loans were \$491.8 and \$552.9, respectively after deducting underwriting discounts and other expenses. The term A and term B loans will mature on June 30, 2028 and June 30, 2030, respectively. The term loans accrue interest at a per annum rate equal to the sum of, at the option of the Company, a Base Rate or a Term SOFR Rate and the Applicable Margin as defined by the Credit Agreement. As of March 31, 2026, the effective interest rate on the term loan A and term loan B was 5.67% and 7.17%, respectively.

The revolving credit facility is permitted, subject to certain covenant restrictions, to be used for general corporate purposes, including working capital and capital expenditures. There were no balances outstanding on the Company's current revolving credit facility and there were \$2.3 in letters of credit issued under the letter of credit sublimit, resulting in \$447.7 available for borrowing as of March 31, 2026 and December 31, 2025. As of March 31, 2026, the effective interest rate on the revolving credit facility was 5.67%, assuming a one-month interest election. There is an annual agency fee associated with the Credit Agreement (\$0.1 paid in quarterly installments) and a variable commitment fee associated with the revolving credit facility based on the Company's Total Leverage Ratio as defined under the Credit Agreement. As of March 31, 2026, the commitment fee was 0.30% (per annum and paid quarterly). The credit facility matures on June 30, 2028.

Under the Credit Agreement, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for similarly rated borrowers, and the Company is required to maintain certain net leverage and interest coverage ratios. The Company is permitted to make adjustments, such as excluding certain costs, from the calculation of leverage and interest coverage ratios for compliance purposes. On February 28, 2025, the Company entered into an amendment to modify certain financial covenants for additional flexibility under the Credit Agreement. The Company was in compliance with all covenants in the Credit Agreement at March 31, 2026 and believes it will be in compliance with all covenants for a period of at least 12 months from the date these financial statements are issued.

7. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Summary of Derivative Instruments

The Company addresses its exposure to market risks, principally the market risk associated with changes in interest rates and foreign currency exchange rates, through a program of risk management that includes, from time to time, the use of derivative instruments such as foreign currency forward contracts and interest rate swap agreements. The Company does not hold or issue derivative instruments for trading purposes. The derivative instrument contracts are with major investment grade financial institutions and the Company does not anticipate any material non-performance by any of the counterparties. The Company does not believe that its exposure to market risk is material to the Company's financial position or results of operations.

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The fair value of the Company's interest rate swaps and foreign currency forward contracts are determined based on observable market inputs (Level 2). The table below presents the fair value of the Company's derivatives on a gross basis and the balance sheet classification of those instruments:

	Balance Sheet Classification	March 31, 2026		December 31, 2025	
		Asset	Liability	Asset	Liability
Derivatives designated as hedging instruments:					
Interest rate swaps	Accrued expenses and other	\$	—	\$	(0.6)
	Other liabilities		—		(1.2)
Derivatives not designated as hedging instruments:					
Foreign currency forward contracts	Prepaid expenses and other	\$	0.9	\$	—
	Other current liabilities		—		(0.6)

The notional amounts of the Company's interest rate swaps and foreign currency forward contracts were \$150.0 and \$316.5 as of March 31, 2026 and \$150.0 and \$305.7 as of December 31, 2025, respectively.

The following table presents the pre-tax effects of cash flow hedges included in the Company's condensed consolidated statements of comprehensive loss:

	Pre-Tax Gain (Loss) Included in Other Comprehensive (Loss) Income	
	Three Months Ended March 31,	
	2026	2025
Interest rate swaps	\$ 0.4	\$ (0.7)

The following table presents amounts reclassified out of accumulated other comprehensive loss and recognized in the condensed consolidated statements of operations:

	Statement of Operations Classification	Amounts Reclassified from Other Comprehensive Loss into Earnings	
		Three Months Ended March 31,	
		2026	2025
Interest rate swaps	Interest expense	\$ 0.2	\$ —

The estimated amount of pre-tax net losses included in other comprehensive (loss) income that is expected to be reclassified into earnings over the twelve months following March 31, 2026, is \$0.6.

Refer to Note 9, "Preferred Stock and Common Shareholders' Equity" for the impact of the Company's derivative instruments included in accumulated other comprehensive loss.

The following table presents a summary of the gain for derivative contracts not designated as hedges included in the Company's condensed consolidated statements of operations:

	Statement of Operations Classification	Gain on Derivatives Recognized in Earnings	
		Three Months Ended March 31,	
		2026	2025
Foreign currency forward contracts	Foreign exchange gain (loss)	\$ 0.6	\$ 0.4

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8. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved from time to time in various claims and legal actions arising in the ordinary course of business. These matters may include commercial and contract disputes, employee-related matters, and professional liability claims. In accordance with FASB ASC 450, *Contingencies*, the Company establishes reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Company does not establish reserves. The outcomes of such proceedings are inherently unpredictable and subject to significant uncertainties. When the Company determines that it has a meritorious defense to any claims asserted, the Company defends itself vigorously; however the Company also considers and enters into discussions regarding settlement of disputes, and may enter into settlement agreements, if in management's judgment, it is in the best interest of the Company to do so. For the three months ended March 31, 2025, the Company recorded legal expenses of \$1.9 related to the settlement of legal matters initiated prior to the spin. Legal settlement expenses for the three months ended March 31, 2026 were not significant. The Company does not believe that any liabilities resulting from claims and legal actions will have a material effect on its financial condition, results of operations or cash flows.

On June 2, 2025, a purported shareholder class action complaint captioned Lucas Deslande v. Fortrea Holdings Inc., et al., No 1:25-sv-04630 was filed in the U.S. District Court for the Southern District of New York, naming the Company and certain of its current and former officers as defendants. The complaint alleges that defendants made omissions and misrepresentations to investors that they claim violated certain securities laws. The Construction Industry Laborers Pension Fund and City of Pontiac Reestablished General Employees Retirement System were appointed as lead plaintiffs on September 3, 2025, and the lead plaintiffs filed an amended complaint on November 10, 2025. The Company filed a motion to dismiss the amended complaint on January 28, 2026. Lead plaintiffs filed their opposition to the Company's motion to dismiss on March 19, 2026. The Company filed its reply to the lead plaintiff's opposition to the Company's motion to dismiss on April 9, 2026. The Company believes it has valid defenses to the claims alleged and intends to vigorously defend itself, but there is no guarantee that the Company will prevail. The case is at a very early stage and the Company is unable to estimate the possible loss or range of loss, if any, associated with this action.

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

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

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9. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 265.0 shares of common stock, par value \$0.001 per share. The Company is authorized to issue up to 30.0 shares of preferred stock, par value \$0.001 per share. There were no preferred shares outstanding as of March 31, 2026 and December 31, 2025.

Stockholder Rights Plan

On June 11, 2025, the Company's Board of Directors adopted a limited duration stockholder rights plan (the "Rights Agreement"). Pursuant to the Rights Agreement, on June 11, 2025, the Company's Board of Directors declared a dividend of one preferred share purchase right (a "Right") for each share of common stock, par value \$0.001 per share, of the Company (the "Common Shares") outstanding on June 23, 2025 to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one thousandth of a share of Series A Preferred Stock, par value \$0.001 per share, of the Company (the "Preferred Shares") at a price of \$50.00 per one one thousandth of a Preferred Share represented by a Right, subject to adjustment.

Initially, the Rights will be attached to all Common Share certificates and no separate certificates evidencing the Rights will be issued. Until the Distribution Date (as defined per the Rights Agreement), the Rights will be transferred with and only with the Common Shares. As long as the Rights are attached to the Common Shares, the Company will issue one Right with each new Common Share so that all such Common Shares will have Rights attached.

The Rights are generally exercisable only in the event that a person or group of affiliated or associated persons (such person or group being an "Acquiring Person"), acquires (or commences a tender offer or exchange offer the consummation of which would result in) beneficial ownership of 10% or more of the outstanding Common Shares. In such case (with certain limited exceptions), each holder of a Right (other than the Acquiring Person, whose Rights shall become void) will have the right to receive, upon exercise at the then current exercise price of the Right, Common Shares (or, if the Board so elects, cash, securities, or other property) having a value equal to two times the exercise price of the Right.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends. The Rights will expire at the close of business on June 10, 2026, unless terminated earlier.

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Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Unrealized Gain (Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at December 31, 2025	\$ (163.8)	\$ (5.3)	\$ (0.9)	\$ (170.0)
Current quarter foreign exchange adjustments	(25.9)	—	—	(25.9)
Unrealized gain on derivative instruments	—	—	0.4	0.4
Amounts reclassified from accumulated other comprehensive loss	—	—	0.2	0.2
Tax effect of adjustments	—	—	(0.1)	(0.1)
Balance at March 31, 2026	\$ (189.7)	\$ (5.3)	\$ (0.4)	\$ (195.4)

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Unrealized Gain (Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at December 31, 2024	\$ (276.0)	\$ (6.5)	\$ (0.4)	\$ (282.9)
Current quarter foreign exchange adjustments	45.2	—	—	45.2
Unrealized loss on derivative instruments	—	—	(0.7)	(0.7)
Amounts reclassified from accumulated other comprehensive loss	—	—	—	—
Tax effect of adjustments	—	—	0.2	0.2
Balance at March 31, 2025	\$ (230.8)	\$ (6.5)	\$ (0.9)	\$ (238.2)

10. INCOME TAXES

For the three months ended March 31, 2026 and 2025, the Company recognized income tax expenses of \$11.3 and \$14.9, respectively, which resulted in effective tax rates of (91.9)% and (2.7)%, respectively. The effective tax rate for the three months ended March 31, 2026 was lower than the Company's statutory tax rate primarily due to an increase in valuation allowance, non-deductible compensation expenses, earnings taxed in jurisdictions with higher tax rates and withholding taxes for 2026 non-US earnings that are not permanently reinvested. For the three months ended March 31, 2025, the Company's effective tax rate was primarily impacted by impairment of goodwill with no tax benefit, an increase in valuation allowance, Base Erosion and Anti-Abuse Tax ("BEAT"), non-deductible compensation expense, and withholding taxes on non-U.S. earnings that are not permanently reinvested.

On July 4, 2025, new legislation commonly referred to as the One Big Beautiful Bill Act of 2025 (the "Tax Act") was signed into law. The Tax Act includes substantial changes to the U.S. federal tax code and broader fiscal policy for tax year 2025 and forward. The Company has recorded any applicable impacts to its three months ended March 31, 2026 tax provision.

11. STOCK COMPENSATION PLANS

The Company granted 1.9 and 0.9 of restricted stock units and performance stock units, respectively, during the three months ended March 31, 2026 with weighted average grant date fair values of \$9.57 and \$11.66 per share.

Total stock-based compensation expense and the associated income tax benefits recognized by the Company in the condensed consolidated statements of operations were as follows:

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	Three Months Ended March 31,	
	2026	2025
Direct costs	\$ 8.1	\$ 11.6
Selling, general and administrative expenses	3.3	3.0
Total stock compensation expense	\$ 11.4	\$ 14.6
Income tax benefits	\$ 1.9	\$ 2.3

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2026	2025
Supplemental schedule of cash flow information:		
Cash paid during period for:		
Interest	\$ 23.4	\$ 34.2
Income taxes, net of refunds	3.7	5.4
Disclosure of non-cash investing activities:		
Change in accrued property, plant and equipment	3.1	—

13. BUSINESS SEGMENT INFORMATION

The following table is a summary of segment information for the three months ended March 31, 2026 and 2025. The segment information is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (“CODM”) for evaluating segment performance and deciding how to allocate resources to segments. The Fortrea Chief Executive Officer has been identified as the CODM.

The CODM allocates resources and assesses performance based on the underlying businesses which determines the Company's operating segments. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. The Company reports its business in one reportable segment: Clinical Services, which provides phase I-IV clinical trials, including clinical pharmacology and comprehensive clinical development capabilities. The measure of segment profit or loss that the CODM uses to evaluates performance and allocate resources is segment operating income. The CODM uses segment operating income to monitor budget versus actual results and to make decisions about resources to be allocated to the segment and assess its performance.

In accordance with ASU 2023-07, *Improvements to Reportable Segment Disclosures*, significant expenses included within segment operating income have been assessed and disclosed in the table below. Corporate costs not included in the segment operating income measure provided to the CODM are included within “Corporate costs not included in segment operating income.” Segment asset information is not presented because it is not used by the CODM at the segment level.

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Segment operating income for the three months ended March 31, 2026 and 2025 is reconciled to loss before income taxes as follows:

	Three Months Ended March 31,	
	2026	2025
Revenues	\$ 636.5	\$ 651.3
Less:		
Pass through costs	229.9	239.9
Direct costs	282.9	294.1
Selling, general and administrative expenses	89.1	104.8
Depreciation	5.2	5.0
Segment operating income	29.4	7.5
Corporate costs not included in segment operating income	11.5	17.8
Amortization	14.6	14.5
Goodwill and other asset impairments	—	488.8
Restructuring and other charges	6.7	6.5
Operating loss	(3.4)	(520.1)
Interest expense	(19.1)	(22.3)
Foreign exchange gain (loss)	9.7	(5.6)
Other, net	0.5	—
Loss before income taxes	<u>\$ (12.3)</u>	<u>\$ (548.0)</u>

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (in millions)

The following discussion and analysis is intended to provide a summary of significant factors relevant to the financial performance and condition of Fortrea Holdings Inc., which we refer to in this discussion and analysis as “Fortrea,” the “Company,” “our” and “we”. Prior to the spin-off which was completed on June 30, 2023 (the “Spin” or “the Separation”), Fortrea existed and functioned as part of Labcorp Holdings Inc., which we refer to in this discussion and analysis as “Labcorp” or “Former Parent.” The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated and combined financial statements and corresponding notes included in our Annual Report on Form 10-K for the year ended December 31, 2025 (the “Form 10-K”) and our unaudited condensed consolidated financial statements and corresponding notes in Item 1. “Financial Statements.”

Cautionary Statement Concerning Forward-Looking Statements

This Form 10-Q and other materials we have filed or will file with the Securities and Exchange Commission (the “SEC”) include or will include forward-looking statements. Some of the forward-looking statements can be identified by the use of terms such as “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” or other comparable terms. These forward-looking statements include all matters that are not related to present facts or current conditions or that are not historical facts. They appear in a number of places throughout this Form 10-Q and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which we operate and include, without limitation, statements relating to our future performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond our control. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry development may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. In addition, even if our results of operations, financial condition and liquidity, and industry development are consistent with the forward-looking statements contained in this Form 10-Q, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors could cause actual results to differ materially from those contained in or implied by the forward-looking statements, including the risks and uncertainties discussed in the “Risk Factors” Section of our Form 10-K, as filed with the SEC. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include, among other things: our dependence on third parties generally to provide services critical to our businesses; our ability to successfully implement our business strategies and execute our long-term value creation strategy; the possibility that Delaware law, our organizational documents, our stockholder rights agreement, and our existing and future debt agreements may impede or discourage a takeover; risks and expenses associated with our international operations including but not limited to currency fluctuations and trade policies; our customer or therapeutic area concentrations; our adoption and use of technology within our business and the risks that we may not be able to capture the anticipated benefits of such technology or that such technology may have negative effects; the outcome and impact of pending or future litigation; any deterioration in the macroeconomic environment, particularly within the pharmaceutical and biotechnology industries, which could lead to defaults or cancellations by our customers; the risk that our backlog and net new business may not grow to the extent we anticipate over a specified period of time, that such measures may not be indicative of our future revenues and that we might not realize all of the anticipated future revenue reflected in our backlog; our ability to generate sufficient net new business awards, or the risk that 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 in the Form 10-K and from time to time in documents that we file with the SEC.

All forward-looking statements are made only as of the date of this Form 10-Q, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data. For a further discussion of the risks relating to our business, see the “Risk Factors” section of our Annual Report on Form 10-K.

Company Overview

Fortrea, a Delaware corporation incorporated on January 31, 2023, is a leading global contract research organization (“CRO”) providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. We offer customers highly flexible delivery models that include Full Service, Functional Service Provider (“FSP”), and Hybrid Service structures. We have a rich history of providing clinical development services for over 30 years across more than 20 therapeutic areas, first as Covance and later as Labcorp Drug Development. On June 30, 2023, we completed the Spin from Labcorp. We leverage our global scale, scientific and therapeutic expertise, clinical data insights, technology innovation, industry network and decades of experience as a standalone company and as a business unit prior to the Spin to deliver tailored solutions to our customers. With what we believe is a distinctive market offering, Fortrea meets growing global demand for clinical development services.

Our team of approximately 14,000 employees is able to conduct operations in approximately 100 countries and delivers comprehensive phase I – IV clinical trial management, clinical pharmacology, and consulting services for our customers. Our offering is scaled to deliver focused and agile solutions to customers globally, streamlining the biopharmaceutical product and medical device development process.

Backlog

Our backlog consists of anticipated future revenue from business awards that either have not started, or that are in process and have not been completed. Our backlog also reflects any cancellation or adjustment activity related to these awards. The average duration of our contracts will fluctuate from period to period based on the contracts comprising our backlog at any given time. The majority of our contracts contain early termination provisions that typically require notice periods ranging from 30 to 90 days. We adjust backlog for foreign currency fluctuations and exclude from backlog amounts that have been recognized as revenue in our statements of operations. Our backlog was \$7.8 billion as of March 31, 2026.

We do not believe that, as a sole measure, our backlog is a consistent indicator of future revenue because it has been, and likely will continue to be, affected by a number of factors, including the variable size and duration of projects, many of which are performed over several years, and changes to the scope of work during the course of projects. Additionally, projects may be canceled or delayed by the customer or regulatory authorities. We generally do not have a contractual right to the full amount of the contract award reflected in our backlog. If a customer cancels a contract, we generally will be reimbursed for the costs we have incurred. For a further discussion of the risks relating to our business, see the “Risk Factors” section of our Annual Report on Form 10-K.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 compared with Three Months Ended March 31, 2025

The following tables present the financial measures that management considers to be the most significant indicators of the Company's performance. The Company defines organic growth as the change in revenues and direct costs excluding the year over year impact of foreign currency translation.

Revenues

	Three Months Ended March 31,		Change
	2026	2025	
Revenues	\$ 636.5	\$ 651.3	(2.3)%

The Company's revenues for the three months ended March 31, 2026 were \$636.5, a decrease of 2.3% from revenues of \$651.3 in the corresponding period in 2025. The change in revenues was due to a decrease in organic revenues of 3.2% and favorable foreign currency translation of 0.9%. The 3.2% decrease in organic revenues was due to lower pass through costs as well as lower demand for our functional service provider business. These decreases were partially offset by an increase in full service revenue, driven by an increase in net new business.

Direct Costs, Exclusive of Depreciation and Amortization

	Three Months Ended March 31,		Change
	2026	2025	
Direct costs	\$ 512.9	\$ 534.8	(4.1)%
Direct costs as a % of revenues	80.6 %	82.1 %	

Direct costs consist primarily of payroll and related benefits for project-related employees, reimbursable expenses (pass through costs), information technology costs, and other direct costs.

Direct costs decreased 4.1% during the three months ended March 31, 2026 as compared with the corresponding period in 2025. The change in direct costs was due to a decrease in organic direct costs of 6.3% and unfavorable foreign currency translation of 2.2%. Direct costs decreased as a percentage of revenues to 80.6% during the three months ended March 31, 2026 as compared to 82.1% in the corresponding period in 2025. The 6.3% decrease in organic direct costs was primarily due to lower pass through and stock-based compensation costs, as well as lower personnel costs, including the benefit of restructuring actions. These decreases were partially offset by a year over year increase in variable compensation expense.

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

	Three Months Ended March 31,		Change
	2026	2025	
Selling, general and administrative expenses	\$ 100.5	\$ 121.8	(17.5)%

Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, information technology costs, other facility charges, advertising and promotional expenses, administrative travel and credit loss provisions.

Selling, general and administrative expenses decreased by 17.5% during the three months ended March 31, 2026 as compared with the corresponding period in 2025. The decrease was primarily due to lower information technology and personnel costs, including the benefit of restructuring actions. These decreases were partially offset by a year over year increase in variable compensation expense.

Depreciation Expense

	Three Months Ended March 31,		Change
	2026	2025	
Depreciation expense	\$ 5.2	\$ 5.0	4.0 %

The change in depreciation expense for the three months ended March 31, 2026, as compared to the corresponding period in 2025, was not significant.

Amortization Expense

	Three Months Ended March 31,		Change
	2026	2025	
Amortization of intangibles and other assets	\$ 14.6	\$ 14.5	0.7 %

The change in amortization of intangibles and other assets during the three months ended March 31, 2026, as compared to the corresponding period in 2025, was not significant.

Goodwill and Other Asset Impairments

	Three Months Ended March 31,		Change
	2026	2025	
Goodwill and other asset impairments	\$ —	\$ 488.8	nm

There were no goodwill and other asset impairments for the three months ended March 31, 2026. Goodwill impairment for the three months ended March 31, 2025 was \$488.8 and was specific to the Clinical Development reporting unit.

Restructuring and Other Charges

	Three Months Ended March 31,		
	2026	2025	Change
Restructuring and other charges	\$ 6.7	\$ 6.5	3.1 %

The change in restructuring and other charges for the three months ended March 31, 2026, as compared to the corresponding period in 2025, was not significant.

Interest Expense

	Three Months Ended March 31,		
	2026	2025	Change
Interest expense	\$ 19.1	\$ 22.3	(14.3)%

The decrease in interest expense for the three months ended March 31, 2026, as compared with the corresponding period in 2025, was due to lower average debt outstanding during the first quarter of 2026, driven by the repurchase of \$75.7 of senior secured notes in 2025 and zero borrowing on the revolver in the quarter, as well as lower effective interest rates on term loan A and term loan B.

Foreign Exchange Gain (loss)

	Three Months Ended March 31,		
	2026	2025	Change
Foreign exchange gain (loss)	\$ 9.7	\$ (5.6)	(273.2)%

The change in foreign exchange gain (loss) for the three months ended March 31, 2026 compared to the foreign exchange gain (loss) for three months ended March 31, 2025, was primarily due to the fluctuations in the U.S. Dollar against the British Pound and the Euro.

Other, net

	Three Months Ended March 31,		
	2026	2025	Change
Other, net	\$ 0.5	\$ —	nm

The change in other, net for the three months ended March 31, 2026, as compared with the corresponding period in 2025, was not significant.

Income Tax Expense

	Three Months Ended March 31,		
	2026	2025	
Income tax expense	\$ 11.3	\$ 14.9	
Income tax expense as a % of loss before tax	(91.9)%	(2.7)%	

For the three months ended March 31, 2026, the Company's effective tax rate was (91.9)% compared to (2.7)% for the corresponding period in 2025. The fluctuation was primarily due to goodwill impairment with no associated tax benefit and BEAT for the three months ended March 31, 2025 and the impact of valuation allowance primarily related to expected interest deductibility limitations for the three months ended March 31, 2026.

Liquidity, Capital Resources and Financial Position

The Company manages cash flow to fund and invest in operational growth, capital expenditures, and credit facility repayments. In connection with the Spin, we incurred indebtedness in an aggregate principal amount of \$1,640.0, which consists of borrowings under senior secured term loan facilities and senior secured notes. We have also entered into a senior secured revolving credit facility, which consists of a five-year facility in the principal amount of up to \$450.0 as further discussed in Note 6, “Debt” to our condensed consolidated financial statements. As of March 31, 2026, there was no balance outstanding on the Company’s revolving credit facility and there were \$2.3 in letters of credit issued under the letter of credit sublimit, resulting in \$447.7 available for borrowing. The maximum revolver borrowing outstanding was \$— and \$98.5 during the three months ended March 31, 2026 and 2025, respectively.

On May 6, 2024, we entered into a three-year \$300.0 accounts receivable securitization program (the “Receivables Facility”). Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity, which in turn, may sell receivables to a third-party financial institution in exchange for cash. As of March 31, 2026, the Company had sold \$300.0 of receivables, which were derecognized from the Company’s consolidated balance sheet.

On February 24, 2026, the Company amended its Receivables Facility, which had been scheduled to terminate on May 6, 2027. The amended Receivables Facility is scheduled to terminate on February 23, 2029, unless terminated earlier pursuant to its terms.

We believe our existing cash and cash flows generated from operations, plus existing credit facilities, will be sufficient to cover the needs of our current and planned operations for at least the next 12 months. From time to time, we routinely evaluate strategic opportunities, including potential acquisitions, joint ventures or investments in complementary businesses. We may also access capital markets through the issuance of debt or equity, which we may use in connection with the acquisition of complementary businesses or other significant assets, or for other strategic opportunities, or general corporate purposes.

Cash Flows for the three months ended March 31, 2026 and 2025

In summary, the Company’s cash flows were as follows:

	Three Months Ended March 31,	
	2026	2025
Net cash used for operating activities	\$ (17.0)	\$ (124.2)
Net cash (used for) provided by investing activities	(8.0)	16.1
Net cash provided by financing activities	—	88.4
Effect of exchange rate changes on cash and cash equivalents	(2.1)	2.8
Net change in cash and cash equivalents	<u>\$ (27.1)</u>	<u>\$ (16.9)</u>

Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2026 and 2025 totaled \$147.5 and \$101.6, respectively. Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits and other money market instruments, which have maturities when purchased of three months or less.

Cash Flows from Operating Activities

During the three months ended March 31, 2026, the Company’s operations used \$17.0 of cash as compared to \$124.2 of cash used by operations during the three months ended March 31, 2025. The decrease in cash used of \$107.2 for the three months ended March 31, 2026 was primarily due to an increase in cash received from accounts receivable, a decrease in cash used for accounts payable, and an increase in net income exclusive of non-cash goodwill and other asset impairments. These cash increases were partially offset by higher use of cash for accrued expenses, including variable compensation.

Cash Flows from Investing Activities

Net cash used for investing activities for the three months ended March 31, 2026 was \$8.0 as compared to net cash provided by investing activities of \$16.1 for the three months ended March 31, 2025. The \$24.1 decrease in net cash (used for) provided by investing activities for the three months ended March 31, 2026 was primarily due to receipt of the first milestone payment related to the sale of the Enabling Services Segment during the three months ended March 31, 2025 and a period over period increase in capital expenditures. Capital expenditures were \$8.0 and \$2.9 for the three months ended March 31, 2026 and 2025, respectively. Capital expenditures for the three months ended March 31, 2026 were 1.3% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company intends to continue to pursue selective investments in key therapeutic areas, business areas and geographies to drive growth and to improve efficiency of the Company's operations. Such expenditures are expected to be funded by cash flow from operations.

Cash Flows from Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2026 was \$— compared to cash provided by financing activities of \$88.4 for the three months ended March 31, 2025. Cash provided by financing activities for the three months ended March 31, 2025 was primarily related to net proceeds from the revolving credit facility. The Company did not draw on the revolving credit facility during the three months ended March 31, 2026.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet financing other than short term operating leases and letters of credit.

Critical Accounting Policies and Estimates

We have chosen accounting policies that management believes are appropriate to accurately and fairly report our operating results and financial position in conformity with U.S. GAAP. We apply these accounting policies in a consistent manner. The Company's critical accounting policies are summarized in Note 2, "Summary of Significant Accounting Policies" to the consolidated and combined financial statements included in the Annual Report on Form 10-K.

The application of these accounting policies requires that we make estimates and assumptions about future events and apply judgments that affect the reported amounts of assets, liabilities, revenues, expenses, contingent assets and liabilities, and related disclosures. These estimates, assumptions and judgments are based on historical experience, current trends and other factors believed to be reasonable under the circumstances. Management evaluates these estimates and assumptions on an ongoing basis. If actual results ultimately differ from previous estimates, the revisions are included in results of operations when the actual amounts become known.

The accounting policies that involve the most significant estimates, assumptions and management judgments used in preparation of the condensed consolidated financial statements, or are the most sensitive to change due to outside factors, are discussed in Management's Discussion and Analysis in the Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk (in millions)

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates and other relevant market rate or price changes. In the ordinary course of business, we are exposed to various market risks, including changes in foreign currency exchange and interest rates, and we regularly evaluate the exposure to such changes. We address our exposure to market risks, principally associated with changes in foreign currency exchange rates and interest rates, through a program of risk management that may include, from time to time, the use of derivative financial instruments such as foreign currency forward contracts, cross currency swaps and interest rate swap agreements in an effort to manage or hedge some of our risk. We do not hold or issue derivative financial instruments for trading purposes. Refer to Note 7, “Derivative Instruments and Hedging Activities” to the condensed consolidated financial statements for information on how the Company utilizes derivative financial instruments.

Foreign Currency Exchange Rates

Approximately 16.4% and 15.9% of our revenues for the three months ended March 31, 2026 and 2025, respectively, were denominated in currencies other than the U.S. dollar (“USD”). Our financial statements are reported in USD and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into USD for purposes of reporting our condensed consolidated financial results. In the three months ended March 31, 2026 and the year ended December 31, 2025, the most significant currency exchange rate exposure was the Euro. Excluding the impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to USD would have impacted operating loss for the three months ended March 31, 2026 by approximately \$0.1. Gross accumulated currency translation adjustments recorded as a separate component of stockholders’ equity were \$(25.9) and \$45.2 at March 31, 2026 and March 31, 2025, respectively. We do not have significant operations in countries in which the economy is considered to be highly inflationary.

We earn revenue from service contracts over a period of several months to many years. Accordingly, exchange rate fluctuations during this period may affect our profitability with respect to such contracts. We are also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. We enter into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting under U.S. GAAP and the changes in fair value are recorded directly to earnings.

Interest Rate Risk

The level of our interest rate risk is dependent on our debt exposure and is sensitive to changes in the general level of interest rates. Historical fluctuations in interest rates have not been significant for us; however, this may vary in the future as we have incurred certain indebtedness concurrent with the Spin and may incur additional indebtedness in the future.

In particular, we face the market risks associated with interest rate movements on our variable rate debt. We entered into a variable-to-fixed interest rate swap with respect to some of our floating rate debt in August 2023. At March 31, 2026, we had \$572.0 outstanding related to our variable rate debt. Excluding the impacts from any outstanding or future variable-to-fixed interest rate swap transactions, a hypothetical 1% increase in interest rates would result in increased interest expenses of \$5.7. We expect to continue to be exposed to an element of market risk from changes to interest rates, including on any refinancing of debt. We expect to regularly assess market risks and to establish policies and business practices to protect against the adverse effects of these exposures. See Note 6, “Debt” to the condensed consolidated financial statements.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), are our controls and other procedures that are designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls over financial reporting, no matter how well designed, have inherent limitations, including the possibility of human error and the override of controls. Therefore, even those systems determined to be effective can provide only “reasonable assurance” with respect to the reliability of financial reporting and financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of our internal controls may vary over time. We review our disclosure controls and procedures and our internal control over financial reporting on an on-going basis and may from time to time make changes aimed at enhancing their effectiveness to ensure that our systems evolve with our business.

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2026. Based on this evaluation, our chief executive officer and our chief financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2026 that have 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 8, “Commitments and Contingent Liabilities” to the condensed consolidated financial statements, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on February 26, 2026 (our “Annual Report”). For a discussion of the risks relating to our business, see the Part I, Item 1A “Risk Factors” section of our Annual Report and the “Cautionary Statement Concerning Forward-Looking Statements” set forth in Part I, Item 2 of this Form 10-Q.

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

Not applicable

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

During the three months ended March 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated any contract, instruction or written plan that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement for the purchase or sale of our securities within the meaning of Item 408 of Regulation S-K.

Item 6. Exhibits

The exhibits below are filed or furnished as a part of this report and are incorporated herein by reference.

EXHIBIT NO.	DESCRIPTION	Filed Herewith	INCORPORATED BY REFERENCE			
			FORM	File No.	Exhibit	Filing Date
10.1	Second Amendment to the Receivables Purchase Agreement, dated as of February 24, 2026, by and among Fortrea Receivables LLC, Fortrea Inc. PNC Bank, National Association, and PNC Capital Markets LLC.		10-K	001-41704	10.30	26-Feb-26
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
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.	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Document.	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X				
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL Instance document included in Exhibit 101.	X				

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 hereunto duly authorized.

Fortrea Holdings Inc.

By: /s/ JILL McCONNELL

Name: Jill McConnell

Title: Chief Financial Officer

(On behalf of the Registrant and as Principal
Financial Officer)

Date: May 5, 2026

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Anshul Thakral, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fortrea Holdings Inc. (the “registrant”);
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.

Date: May 5, 2026

/s/ Anshul Thakral

Anshul Thakral

President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jill McConnell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fortrea Holdings Inc. (the “registrant”);
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.

Date: May 5, 2026

/s/ Jill McConnell

Jill McConnell

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Anshul Thakral, Chief Executive Officer of Fortrea Holdings Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 5, 2026

/s/ Anshul Thakral

Anshul Thakral

President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jill McConnell, Chief Financial Officer of Fortrea Holdings Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 5, 2026

/s/ Jill McConnell

Jill McConnell

Chief Financial Officer

(Principal Financial Officer)