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 June 30, 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	**92-2796441**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8 Moore Drive Durham, North Carolina	**27713**
(Address of principal executive offices)	(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

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 95.1 million shares of common stock as of July 27, 2026.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

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

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 168.6	$ 174.6
Accounts receivable and unbilled services, net	654.4	589.7
Prepaid expenses and other	100.6	132.9
Total current assets	923.6	897.2
Property, plant and equipment, net	156.2	149.5
Goodwill, net	950.3	960.0
Intangible assets, net	586.8	622.0
Deferred income taxes	6.2	6.2
Other assets, net	91.8	80.8
Total assets	$ 2,714.9	$ 2,715.7
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 54.2	$ 29.7
Accrued expenses and other current liabilities	380.8	395.8
Unearned revenue	502.7	473.8
Current portion of long-term debt	17.1	4.8
Short-term operating lease liabilities	8.9	9.2
Total current liabilities	963.7	913.3
Long-term debt, less current portion	1,037.2	1,048.0
Operating lease liabilities	54.3	54.0
Deferred income taxes and other tax liabilities	97.0	97.6
Other liabilities	38.5	39.3
Total liabilities	2,190.7	2,152.2
Commitments and contingent liabilities (Note 8)		
Equity		
Common stock, 95.1 and 93.1 shares outstanding at June 30, 2026 and December 31, 2025, respectively	0.1	0.1
Additional paid-in capital	2,140.6	2,116.6
Accumulated deficit	(1,420.0)	(1,383.2)
Accumulated other comprehensive loss	(196.5)	(170.0)
Total equity	524.2	563.5
Total liabilities and equity	$ 2,714.9	$ 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 June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues	$ 678.2	$ 710.3	$ 1,314.7	$ 1,361.6
Costs and expenses:				
Direct costs, exclusive of depreciation and amortization	539.0	576.8	1,051.9	1,111.6
Selling, general and administrative expenses, exclusive of depreciation and amortization	102.1	124.8	202.6	246.6
Depreciation and amortization	19.6	19.6	39.4	39.1
Goodwill and other asset impairments	—	309.1	—	797.9
Restructuring and other charges	2.7	10.3	9.4	16.8
Total costs and expenses	663.4	1,040.6	1,303.3	2,212.0
Operating income (loss)	14.8	(330.3)	11.4	(850.4)
Other income (expense):				
Interest expense	(19.3)	(23.3)	(38.4)	(45.6)
Foreign exchange gain (loss)	3.5	(19.9)	13.2	(25.5)
Other, net	(0.2)	2.8	0.3	2.8
Loss before income taxes	(1.2)	(370.7)	(13.5)	(918.7)
Income tax expense	12.0	4.2	23.3	19.1
Net loss	$ (13.2)	$ (374.9)	$ (36.8)	$ (937.8)
Earnings (loss) per common share				
Basic and diluted	$ (0.14)	$ (4.14)	$ (0.39)	$ (10.37)

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)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	$ (13.2)	$ (374.9)	$ (36.8)	$ (937.8)
Foreign currency translation adjustments	(1.3)	82.8	(27.2)	128.0
Unrealized gain (loss) on derivative instruments	0.3	(0.2)	0.9	(0.9)
Other comprehensive (loss) income before tax	(1.0)	82.6	(26.3)	127.1
(Provision) benefit for income tax related to items of comprehensive income	(0.1)	—	(0.2)	0.2
Other comprehensive (loss) income, net of tax	(1.1)	82.6	(26.5)	127.3
Comprehensive loss	$ (14.3)	$ (292.3)	$ (63.3)	$ (810.5)

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)

	Common Stock					
	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
Net loss	—	—	—	(13.2)	—	(13.2)
Other comprehensive loss, net of tax	—	—	—	—	(1.1)	(1.1)
Stock compensation	—	—	12.6	—	—	12.6
Issuance of common stock under employee stock plan	0.5	—	—	—	—	—
Balance at June 30, 2026	95.1	$ 0.1	$ 2,140.6	$ (1,420.0)	$ (196.5)	$ 524.2

	Common Stock					
	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
Net loss	—	—	—	(374.9)	—	(374.9)
Other comprehensive income, net of tax	—	—	—	—	82.6	82.6
Stock compensation	—	—	22.7	—	—	22.7
Issuance of common stock under employee stock plan	0.3	—	—	—	—	—
Balance at June 30, 2025	90.8	$ 0.1	$ 2,079.5	$ (1,334.8)	$ (155.6)	$ 589.2

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)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (36.8)	$ (937.8)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Depreciation and amortization	39.4	39.1
Stock compensation	24.0	37.3
Credit loss expense	4.0	9.0
Operating lease right-of-use asset expense	4.1	6.0
Operating lease right-of-use asset impairment	—	1.2
Goodwill and other asset impairments	—	797.9
Deferred income taxes	0.9	(16.8)
Unrealized foreign exchange movements	(8.7)	37.7
Other, net	2.5	2.3
Changes in assets and liabilities:		
Increase in accounts receivable and unbilled services, net	(70.0)	(77.5)
Decrease in prepaid expenses and other	17.5	24.5
Increase (decrease) in accounts payable	24.6	(46.8)
Increase in unearned revenue	28.7	23.2
Decrease in accrued expenses and other	(18.3)	(1.7)
Net cash provided by (used for) operating activities	11.9	(102.4)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(17.0)	(10.4)
Proceeds from sale of business, net	—	19.0
Proceeds from sale of assets	2.0	—
Net cash (used for) provided by investing activities	(15.0)	8.6
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	—	316.4
Payments on revolving credit facilities	—	(266.4)
Debt issuance costs	—	(0.6)
Net cash provided by financing activities	—	49.4
Effect of exchange rate changes on cash and cash equivalents	(2.9)	7.1
Net change in cash and cash equivalents	(6.0)	(37.3)
Cash and cash equivalents at beginning of period	174.6	118.5
Cash and cash equivalents at end of period	$ 168.6	$ 81.2

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

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; 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.

(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 June 30, 2026, one pharmaceutical customer accounted for approximately 18.2% 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 June 30, 2026, one customer accounted for approximately 16.8% of revenues, and for the six months ended June 30, 2026, one customer accounted for approximately 17.0% of revenues. For the three months ended June 30, 2025, one customer accounted for 19.5% of revenues, and for the six months ended June 30, 2025, one customer accounted for approximately 17.5% 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 and six months ended June 30, 2026 and 2025 are as follows:

	Three Months Ended June 30, 2026				Three Months Ended June 30, 2025			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenues	$ 319.7	$ 219.7	$ 138.8	$ 678.2	$ 344.3	$ 218.7	$ 147.3	$ 710.3

(dollars and shares in millions, except per share data)

	Six Months Ended June 30, 2026				Six Months Ended June 30, 2025			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenues	$ 616.5	$ 433.6	$ 264.6	$ 1,314.7	$ 653.8	$ 419.0	$ 288.8	$ 1,361.6

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

Contract Costs

The following table provides information about contract asset balances:

	June 30, 2026	December 31, 2025
Sales commission assets	$ 18.7	$ 21.4
Deferred contract costs	0.2	0.4
Total	$ 18.9	$ 21.8

Amortization related to sales commission assets for the three months ended June 30, 2026 and 2025 was $2.8 and $2.8, respectively, and for the six months ended June 30, 2026 and 2025 was $6.1 and $5.9, respectively. Amortization related to deferred contract costs for the three months ended June 30, 2026 and 2025 was $0.1 and $0.2, respectively, and for the six months ended June 30, 2026 and 2025 was $0.2 and $0.4, 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:

	June 30, 2026	December 31, 2025
Accounts receivable	$ 189.0	$ 113.6
Unbilled services	503.4	517.3
Less: allowance for credit losses	(38.0)	(41.2)
Total	$ 654.4	$ 589.7
Unearned revenue	$ 502.7	$ 473.8

Revenue recognized during the period that was included in the unearned revenue balance at the beginning of the period was $229.8 and $157.5 for the six months ended June 30, 2026 and 2025, respectively. Additionally, as of June 30, 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.

(dollars and shares in millions, except per share data)

The rollforward for the allowance for credit losses for the six months ended June 30, 2026 is as follows:

Allowance for credit losses as of December 31, 2025	$	41.2
Credit loss expense		4.0
Write-offs		(7.2)
Allowance for credit losses as of June 30, 2026	$	38.0

Performance Obligations Under Long-Term Contracts

As of June 30, 2026, approximately $4,442.5 of revenues are expected to be recognized from remaining performance obligations. The Company expects to recognize approximately 26% of the existing performance obligations as of June 30, 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 and six months ended June 30, 2026, there were reductions of approximately $2 and $3 in revenue related to performance obligations partially satisfied in previous periods. For the three months ended June 30, 2026, the change was associated with changes in estimated effort to complete customer contract obligations. For the six months ended June 30, 2026, the majority of the change was associated with changes in estimated effort to complete customer contract obligations of $(7), partially offset by changes in scope or price of $4.

During the three and six months ended June 30, 2025, there were reductions of approximately $1 and $16 in revenue related to performance obligations partially satisfied in previous periods. For the three months ended June 30, 2025, the majority of the change was associated with changes in estimated effort to complete customer contract obligations of $(3), partially offset by changes in scope or price of $2. For the six months ended June 30, 2025, the majority of the change was associated with changes in scope or price of $(11) and a smaller portion related to changes in estimated effort to complete customer contract obligations of $(5).

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"), which 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 June 30, 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 $4.1 and $8.8 for the three and six months ended June 30, 2026 and, $4.5 and $8.9 for the three and six months ended June 30, 2025, respectively, and are included within selling, general and administrative costs in the condensed consolidated statements of operations.

(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*. Actions 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	5.7	1.1	6.8
Cash payments and other adjustments	(21.1)	(1.1)	(22.2)
Balance as of June 30, 2026	$ 7.5	$ 0.5	$ 8.0

	Severance and Other Employee Costs	Facility and Other Costs	Total
Balance as of December 31, 2024	$ 23.1	$ 0.6	$ 23.7
Restructuring charges	8.8	1.4	10.2
Cash payments and other adjustments	(17.9)	(1.4)	(19.3)
Balance as of June 30, 2025	$ 14.0	$ 0.6	$ 14.6

The current portion of the restructuring liabilities is included in the condensed consolidated balance sheets in accrued expenses and other current liabilities. The non-current portion of the restructuring liabilities is included in the condensed consolidated balance sheets in other liabilities.

The non-current portion of the restructuring liabilities as of June 30, 2026 and December 31, 2025 was $0.5 and $—, respectively.

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 June 30,					
	2026			2025		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) per share:						
Net earnings (loss)	$ (13.2)	94.8	$ (0.14)	$ (374.9)	90.6	$ (4.14)

(dollars and shares in millions, except per share data)

	Six Months Ended June 30,					
	2026			2025		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) per share:						
Net earnings (loss)	$ (36.8)	94.2	$ (0.39)	$ (937.8)	90.4	$ (10.37)

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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Employee stock options and awards	0.3	8.2	0.4	5.4
Antidilutive employee stock options and awards excluded based on reporting a net loss for the period	4.7	0.4	4.6	0.8

5. GOODWILL

During the first and second quarters of 2025, due to sustained declines in the Company’s share price and uncertainties in global macroeconomic conditions, the Company determined that indicators of impairment existed. As a result, the Company performed interim impairment tests as of March 31, 2025 and June 30, 2025.

Based upon the results of the quantitative assessment 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.

Based upon the results of the quantitative assessment as of June 30, 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 $309.1.

For the goodwill impairment tests, 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. The discount rate used reflects the risks inherent in realizing the forecasted cash flows and 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. The discount rate used for the Clinical Development reporting unit quantitative assessments as of March 31, 2025 and June 30, 2025 was 10.0% and 10.5%, respectively. The increase in the discount rate was primarily the result of macroeconomic and market factors and impacted the impairment during the second quarter of 2025 by approximately $60.

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 resulting estimated fair values of the combined reporting units are reconciled to the Company's market capitalization including an estimated implied control premium. The share price used to calculate the Company’s market capitalization was $7.55 per share and $4.94 per share as of March 31, 2025 and June 30, 2025, respectively.

(dollars and shares in millions, except per share data)

The changes in the carrying amount of goodwill for the six months ended June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Balance as of December 31	$ 960.0	$ 1,710.4
Impairment	—	(797.9)
Foreign currency impact and other adjustments to goodwill	(9.7)	52.7
Balance as of June 30	$ 950.3	$ 965.2

6. DEBT

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

	June 30, 2026	December 31, 2025
Current portion of senior secured term loan A facility due 2028	$ 17.3	$ 4.8
Debt issuance discount and fees	(0.2)	—
Total current portion of long-term debt	$ 17.1	$ 4.8

Long-term debt consisted of the following:

	June 30, 2026	December 31, 2025
7.5% senior notes due 2030	$ 494.3	$ 494.3
Senior secured term loan A due 2028	400.0	412.5
Senior secured term loan B due 2030	154.7	154.7
Debt issuance discount and fees	(11.8)	(13.5)
Total long-term debt	$ 1,037.2	$ 1,048.0

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.

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 June 30, 2026, the effective interest rate on the term loan A and term loan B was 5.66% and 7.16%, 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 June 30, 2026 and December 31, 2025. As of June 30, 2026, the effective interest rate on the revolving credit facility was 5.64%, 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 June 30, 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 June 30, 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.

(dollars and shares in millions, except per share data)

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:

		June 30, 2026		December 31, 2025	
	Balance Sheet Classification	**Asset**	**Liability**	**Asset**	**Liability**
Derivatives designated as hedging instruments:					
Interest rate swaps	Accrued expenses and other current liabilities	$ —	$ (0.3)	$ —	$ (1.2)
	Other liabilities	—	—	—	—
Derivatives not designated as hedging instruments:					
Foreign currency forward contracts	Prepaid expenses and other	$ 0.1	$ —	$ 0.3	$ —
	Accrued expenses and other current liabilities	—	(1.1)	—	(0.6)

The notional amounts of the Company's interest rate swaps and foreign currency forward contracts were $150.0 and $383.7 as of June 30, 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 June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest rate swaps	$ 0.1	$ (0.1)	$ 0.5	$ (0.8)

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

		Amounts Reclassified from Other Comprehensive Loss into Earnings			
		Three Months Ended June 30,		Six Months Ended June 30,	
	Statement of Operations Classification	**2026**	**2025**	**2026**	**2025**
Interest rate swaps	Interest expense	$ 0.2	$ (0.1)	$ 0.4	$ (0.1)

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 June 30, 2026, is $0.3.

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 gains and losses for derivative contracts not designated as hedges included in the Company's condensed consolidated statements of operations:

		(Loss) Gain on Derivatives Recognized in Earnings			
		Three Months Ended June 30,		Six Months Ended June 30,	
	Statement of Operations Classification	**2026**	**2025**	**2026**	**2025**
Foreign currency forward contracts	Foreign exchange gain (loss)	$ (1.3)	$ 0.6	$ (0.7)	$ 1.0

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 and six months ended June 30, 2025, the Company recorded legal expenses of $— and $1.9 related to the settlement of legal matters initiated prior to the Spin. Legal settlement expenses for the three and six months ended June 30, 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 July 6, 2026, Thermo Fisher Scientific Inc., Clario Holdings, Inc., and eResearch Technology, Inc. d/b/a Clario (collectively, the "Plaintiffs") filed an action in the Court of Chancery of the State of Delaware against Jason Knoblauch and the Company challenging the Company's appointment of Mr. Knoblauch as Chief Financial Officer. Plaintiffs allege that Mr. Knoblauch's employment by the Company violates restrictive covenants and that he retained confidential information belonging to Plaintiffs. Plaintiffs sought expedited proceedings and temporary and preliminary injunctive relief. On July 25, 2026, the Court entered a temporary restraining order temporarily prohibiting Mr. Knoblauch from performing services for the Company pending further order of the Court. The Company disagrees with Plaintiffs' allegations but is complying with the Court's order and intends to defend the action. In light of the order, the Company's Board of Directors appointed board member David R. Smith, to serve as interim Chief Financial Officer and principal financial officer, effective July 27, 2026. A hearing on Plaintiffs' motion for a preliminary injunction is expected to be scheduled for early September.

On June 2, 2025, a purported shareholder class action complaint captioned Lucas Deslande v. Fortrea Holdings Inc., et al., No 1:25-cv-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 plaintiffs' 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.

(dollars and shares in millions, except per share data)

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 June 30, 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.

The Rights Agreement expired in accordance with its terms at the close of business on June 10, 2026.

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)
Current quarter foreign exchange adjustments	(1.3)	—	—	(1.3)
Unrealized gain on derivative instruments	—	—	0.1	0.1
Amounts reclassified from accumulated other comprehensive loss	—	—	0.2	0.2
Tax effect of adjustments	—	—	(0.1)	(0.1)
Balance at June 30, 2026	$ (191.0)	$ (5.3)	$ (0.2)	$ (196.5)

(dollars and shares in millions, except per share data)

	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)
Current quarter foreign exchange adjustments	82.8	—	—	82.8
Unrealized loss on derivative instruments	—	—	(0.1)	(0.1)
Amounts reclassified from accumulated other comprehensive loss	—	—	(0.1)	(0.1)
Tax effect of adjustments	—	—	—	—
Balance at June 30, 2025	$ (148.0)	$ (6.5)	$ (1.1)	$ (155.6)

10. INCOME TAXES

For the three months ended June 30, 2026 and 2025, the Company recognized income tax expenses of $12.0 and $4.2, respectively, which resulted in effective tax rates of (1000.0)% and (1.1)%, respectively. The effective tax rate for the three months ended June 30, 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-U.S. earnings that are not permanently reinvested. For the three months ended June 30, 2025, the Company’s effective tax rate was lower than the Company’s statutory tax rate primarily due to impairment of goodwill that has no tax benefit, an increase in valuation allowance of deferred tax assets, BEAT, non-deductible compensation expenses and withholding taxes for 2025 non-U.S. earnings that are not permanently reinvested.

For the six months ended June 30, 2026 and 2025, the Company recognized income tax expense of $23.3 and $19.1, respectively, which resulted in effective tax rates of (172.6)% and (2.1)%, respectively. The effective tax rate for the six months ended June 30, 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-U.S. earnings that are not permanently reinvested. For the six months ended June 30, 2025, the Company’s effective tax rate was lower than the Company’s statutory tax rate primarily due to impairment of goodwill that has no tax benefit, an increase in valuation allowance of deferred tax assets, BEAT, non-deductible compensation expenses and withholding taxes for 2025 non-U.S. earnings that are not permanently reinvested.

11. STOCK COMPENSATION PLANS

The Company granted 0.4 and 2.3 restricted stock units, respectively, during the three and six months ended June 30, 2026 with weighted average grant date fair values of $15.45 and $10.54 per share. The Company granted — and 0.9 performance stock units, respectively, during the three and six months ended June 30, 2026 with weighted average grant date fair values of $— and $11.66 per share.

(dollars and shares in millions, except per share data)

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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Direct costs	$ 8.2	$ 17.2	$ 16.3	$ 28.8
Selling, general and administrative expenses	4.4	5.5	7.7	8.5
Total stock compensation expense	$ 12.6	$ 22.7	$ 24.0	$ 37.3
Income tax benefits	$ 2.0	$ 3.1	$ 3.9	$ 5.4

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Six Months Ended June 30,	
	2026	2025
Supplemental schedule of cash flow information:		
Cash paid during period for:		
Interest	$ 32.7	$ 46.2
Income taxes, net of refunds	6.6	11.8
Disclosure of non-cash investing activities:		
Change in accrued property, plant and equipment	0.6	—

13. BUSINESS SEGMENT INFORMATION

The following table is a summary of segment information for the three and six months ended June 30, 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 evaluate 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.

Segment operating income for the three and six months ended June 30, 2026 and 2025 is reconciled to loss before income taxes as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 678.2	$ 710.3	$ 1,314.7	$ 1,361.6
Less:				
Pass through costs	250.8	276.3	480.7	516.2
Direct costs	288.2	298.7	571.1	592.8
Selling, general and administrative expenses	94.3	104.9	183.4	209.7
Depreciation	5.0	5.0	10.2	10.0
Segment operating income	39.9	25.4	69.3	32.9
Corporate costs not included in segment operating income	7.8	21.7	19.3	39.5
Amortization	14.6	14.6	29.2	29.1
Goodwill and other asset impairments	—	309.1	—	797.9
Restructuring and other charges	2.7	10.3	9.4	16.8
Operating income (loss)	14.8	(330.3)	11.4	(850.4)
Interest expense	(19.3)	(23.3)	(38.4)	(45.6)
Foreign exchange gain (loss)	3.5	(19.9)	13.2	(25.5)
Other, net	(0.2)	2.8	0.3	2.8
Loss before income taxes	$ (1.2)	$ (370.7)	$ (13.5)	$ (918.7)

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 (including Fortrea Intelligent Technology™), 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 June 30, 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 and Six Months Ended June 30, 2026 compared with Three and Six Months Ended June 30, 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 June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Revenues	$ 678.2	$ 710.3	(4.5)%	$ 1,314.7	$ 1,361.6	(3.4)%

The Company’s revenues for the three months ended June 30, 2026 were $678.2, a decrease of 4.5% from revenues of $710.3 in the corresponding period in 2025. The change in revenues was due to a decrease in organic revenues of 4.9%, partially offset by favorable foreign currency translation of 0.4%. The 4.9% 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 our clinical pharmacology business, driven by an increase in net new business and study mix.

The Company’s revenues for the six months ended June 30, 2026 were $1,314.7, a decrease of 3.4% from revenues of $1,361.6 in the corresponding period in 2025. The change in revenues was due to a decrease in organic revenues of 4.0%, partially offset by favorable foreign currency translation of 0.6%. The 4.0% 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 our clinical pharmacology business, driven by an increase in net new business and study mix.

Direct Costs, Exclusive of Depreciation and Amortization

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Direct costs	$ 539.0	$ 576.8	(6.6)%	$ 1,051.9	$ 1,111.6	(5.4)%
Direct costs as a % of revenues	79.5 %	81.2 %		80.0 %	81.6 %	

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 6.6% during the three months ended June 30, 2026 as compared with the corresponding period in 2025. The change in direct costs was due to a decrease in organic direct costs of 7.4%, partially offset by unfavorable foreign currency translation of 0.8%. Direct costs decreased as a percentage of revenues to 79.5% during the three months ended June 30, 2026 as compared to 81.2% in the corresponding period in 2025. The 7.4% 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 and clinical pharmacology study related costs.

Direct costs decreased 5.4% during the six months ended June 30, 2026 as compared with the corresponding period in 2025. The change in direct costs was due to a decrease in organic direct costs of 6.9%, partially offset by unfavorable foreign currency translation of 1.5%. Direct costs decreased as a percentage of revenues to 80.0% during the six months ended June 30, 2026 as compared to 81.6% in the corresponding period in 2025. The 6.9% 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 and clinical pharmacology study related costs.

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Selling, general and administrative expenses	$ 102.1	$ 124.8	(18.2)%	$ 202.6	$ 246.6	(17.8)%

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 18.2% during the three months ended June 30, 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, as well as lower credit loss provisions. These decreases were partially offset by a year over year increase in variable compensation expense.

Selling, general and administrative expenses decreased by 17.8% during the six months ended June 30, 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, as well as lower credit loss provisions. These decreases were partially offset by a year over year increase in variable compensation expense.

Depreciation Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Depreciation expense	$ 5.0	$ 5.0	— %	$ 10.2	$ 10.0	2.0 %

The change in depreciation expense for the three and six months ended June 30, 2026, as compared to the corresponding periods in 2025, was not significant.

Amortization Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Amortization of intangibles and other assets	$ 14.6	$ 14.6	— %	$ 29.2	$ 29.1	0.3 %

The change in amortization of intangibles and other assets for the three and six months ended June 30, 2026, as compared to the corresponding periods in 2025, was not significant.

Goodwill and Other Asset Impairments

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Goodwill and other asset impairments	$ —	$ 309.1	nm	$ —	$ 797.9	nm

There were no goodwill and other asset impairments for the three and six months ended June 30, 2026. Goodwill impairment for the three and six months ended June 30, 2025 was $309.1 and $797.9, respectively. This impairment was specific to the Clinical Development reporting unit.

Restructuring and Other Charges

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Restructuring and other charges	$ 2.7	$ 10.3	(73.8)%	$ 9.4	$ 16.8	(44.0)%

The decline in restructuring expense for the three and six months ended June 30, 2026, as compared to the corresponding periods in 2025, was primarily due to the planned progression of the Company’s restructuring programs, which resulted in lower restructuring charges.

Interest Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Interest expense	$ 19.3	$ 23.3	(17.2)%	$ 38.4	$ 45.6	(15.8)%

The decrease in interest expense for the three and six months ended June 30, 2026, as compared with the corresponding periods in 2025, was due to lower average debt outstanding during the first and second quarters of 2026, driven by the repurchase of $75.7 of senior secured notes in 2025 and no borrowings on the revolving credit facility during the first half of 2026, as well as lower effective interest rates on term loan A and term loan B.

Foreign Exchange Gain (loss)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Foreign exchange gain (loss)	$ 3.5	$ (19.9)	(117.6)%	$ 13.2	$ (25.5)	(151.8)%

The change in foreign exchange gain (loss) for the three and six months ended June 30, 2026 compared to the foreign exchange gain (loss) for three and six months ended June 30, 2025, was primarily due to the fluctuations in the U.S. Dollar against the British Pound and the Euro.

Other, net

	Three Months Ended June 30,			Six Months Ended June 30,		
	2026	2025	Change	2026	2025	Change
Other, net	$ (0.2)	$ 2.8	(107.1)%	$ 0.3	$ 2.8	(89.3)%

The decline in other, net for the three and six months ended June 30, 2026, as compared with the corresponding periods in 2025, was primarily due to income recognized in the prior-year periods related to services provided under transition services agreements that terminated in 2025.

Income Tax Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income tax expense	$ 12.0	$ 4.2	$ 23.3	$ 19.1
Income tax expense as a % of loss before tax	(1000.0)%	(1.1)%	(172.6)%	(2.1)%

For the three months ended June 30, 2026, the Company's effective tax rate was (1000.0)% compared to (1.1)% for the corresponding period in 2025. For the six months ended June 30, 2026, the Company's effective tax rate was (172.6)% compared to (2.1)% for the corresponding period in 2025. The fluctuations in the quarter-to-date and year-to-date periods were primarily due to goodwill impairment with no associated tax benefit and BEAT for the three and six months ended June 30, 2025 and the impact of valuation allowance primarily related to expected interest deductibility limitations for the three and six months ended June 30, 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 June 30, 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 $135.5 during the six months ended June 30, 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 June 30, 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 Six months ended June 30, 2026 and 2025

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

	Six Months Ended June 30,	
	2026	2025
Net cash provided by (used for) operating activities	$ 11.9	$ (102.4)
Net cash (used for) provided by investing activities	(15.0)	8.6
Net cash provided by financing activities	—	49.4
Effect of exchange rate changes on cash and cash equivalents	(2.9)	7.1
Net change in cash and cash equivalents	$ (6.0)	$ (37.3)

Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2026 and 2025 totaled $168.6 and $81.2, 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 six months ended June 30, 2026, the Company's operations provided $11.9 of cash as compared to $102.4 of cash used by operations during the six months ended June 30, 2025. The increase in cash provided of $114.3 for the six months ended June 30, 2026 was primarily due to a decrease in cash used for accounts payable and interest, as well as an improvement in net loss excluding non-cash income and expense items. These cash increases were partially offset by higher use of cash for accrued expenses.

Cash Flows from Investing Activities

Net cash used for investing activities for the six months ended June 30, 2026 was $15.0 as compared to net cash provided by investing activities of $8.6 for the six months ended June 30, 2025. The $23.6 increase in net cash used for investing activities for the six months ended June 30, 2026 was primarily due to receipt of the first milestone payment related to the sale of the Enabling Services segment during the six months ended June 30, 2025 and a period over period increase in capital expenditures. Capital expenditures were $17.0 and $10.4 for the six months ended June 30, 2026 and 2025, respectively. Capital expenditures for the six months ended June 30, 2026 were 1.3% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company also 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 six months ended June 30, 2026 was $— compared to cash provided by financing activities of $49.4 for the six months ended June 30, 2025. Cash provided by financing activities for the six months ended June 30, 2025 was primarily related to net proceeds from the revolving credit facility. The Company did not draw on the revolving credit facility during the six months ended June 30, 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 16.8% and 15.9% of our revenues for the six months ended June 30, 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 six months ended June 30, 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 income for the six months ended June 30, 2026 by approximately $0.2. Gross accumulated currency translation adjustments recorded as a separate component of stockholders' equity were $(27.2) and $128.0 at June 30, 2026 and June 30, 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 June 30, 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 June 30, 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 June 30, 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 June 30, 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.

			INCORPORATED BY REFERENCE			
EXHIBIT NO.	DESCRIPTION	Filed Herewith	FORM	File No.	Exhibit	Filing Date
10.1	Offer letter,effective as of July 6, 2026, between Fortrea Holdings Inc. and Jason Knoblauch.	X				
10.2	Non-Employee Director Compensation Policy.	X				
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 Interim 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 Interim 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/ David Ross Smith*
Name:	David Ross Smith
Title:	Interim Chief Financial Officer
	(On behalf of the Registrant and as Principal Financial Officer)

Date: July 29, 2026

June 19, 2026

Jason Knoblauch

Dear Jason:

On behalf of Fortrea Inc. (“Company”), I am delighted to offer you the role of Chief Financial Officer, reporting to Anshul Thakral, beginning July 6, 2026. In this pivotal role, you will play a vital part in advancing our mission to provide cutting-edge solutions that accelerate the delivery of life-changing medicines to patients, while simultaneously creating enduring value for our employees, patients, customers and stakeholders. Your contributions will be instrumental in driving healthcare innovation and shaping the future of the industry.

At Fortrea, we are committed to fostering a workspace that not only fuels the growth of our organization but also nurtures the personal and professional development of each employee on a global scale. Your expertise will contribute to creating an environment where every individual can thrive and make a significant impact.

We are excited to have you join our team, and we believe that your exceptional skills and experience will be integral to our journey of revolutionizing healthcare.

Please review the following information about your position:

Business Title: Chief Financial Officer

Start date: July 6, 2026

Salary: Your initial annual base salary will be $570,000.00 payable via direct deposit, where permitted, in accordance with the standard payroll practices of the Company, less all statutory withholdings and deductions.

Pay Frequency: The Company’s current standard payroll schedule is bi-weekly, with payment on the Friday following the end of each payroll cycle. This is subject to change in the Company’s discretion.

Fortrea Bonus Program: You will participate in the Fortrea Bonus Program (“FBP”) for the 2026 plan year with a Target Bonus Opportunity (as that term is defined in the FBP Summary Program Guide) of 85% of your base salary, subject to proration. Your actual bonus award payout may range from 0% to a maximum of 200%. Bonus payments are subject to company established performance metrics, modified by individual performance, as well as satisfaction of certain eligibility criteria such as a minimum amount of active employment and continued employment through the date of the payout of the Bonus, all as set out in the FBP Summary Program Guide, except as otherwise provided in the Fortrea Inc. Master Senior Executive Severance Plan or its successor plan. Your participation in the FBP or successor bonus program in future years, as well as your Target Bonus Opportunity, is annually reviewed and determined at the sole discretion of the Company.

Sign-on bonus: You will receive a sign-on bonus of $1,250,000.00, less all applicable taxes and withholdings, representing an amount comparable to forfeited compensation from your former employer. Payment of your sign-on bonus will be in two installments, with $500,000.00 to be paid within 90 days after your start date and $750,000.00 to be paid within 90 days of the one-year anniversary of your start date. Receipt of any sign-on bonus payment is contingent upon your successful completion of the conditions of employment stated below as of each sign-on bonus payment date.

If you voluntarily terminate your employment without Good Reason or you are terminated by the Company for Cause as those terms are defined in the Fortrea Inc. Master Senior Executive Severance Plan or its successor plan, within one year of your start date for any reason other than redundancy, ill health, or death, you will be required to repay a prorated portion of the first installment of your sign-on bonus and you will not receive the second installment. The proration will be determined by multiplying the amount of the previously paid sign-on bonus by a fraction, the numerator of which is 12 minus the number of full months of your completed employment following your start date, and the denominator of which is 12.

Subject to applicable law, this repayment will be deducted from your final pay (including from any payment in lieu of notice), and you will be responsible for repaying any outstanding balance to the Company within 30 days of your last day of employment with the Company. This unreimbursed sum shall be recoverable as a debt, together with all costs, including legal costs, reasonably incurred by the Company in recovering the sum and together with interest thereon for the period commencing on the date the first installment was paid to you and ending on the date on which the Company receives repayment of such monies in full, such interest to be calculated at the prevailing prime interest rate published on the date the sign-on bonus was paid to you.

Annual Equity Grant: It is the Company's intent to recommend that you should participate in the 2028 annual equity grant cycle under the same terms applicable to and at a level given to similarly situated employees. Subject to approval by the Company's Board of Directors, the Company anticipates an initial target long-term incentive grant for the 2028 annual equity grant cycle with an aggregate grant date fair value of approximately $2,000,000.00 (subject to rounding), using the average closing price of the Company's common stock over the 30 trading days immediately preceding your commencement of employment to calculate the target number of awards, comprised of 50% restricted stock units ("RSUs") and 50% performance share awards ("PSUs") that will have a maximum term of ten years, and, (A) in the case of the RSUs will vest ratably over a 3-year period commencing on the first anniversary of the grant date (B) in the case of the PSUs will vest over a 3-year performance period commencing on the first anniversary of the grant date on the same terms and conditions as the PSUs awarded to other senior executives in the Board's unfettered discretion. All equity grants are contingent upon your execution of an equity award agreement that will contain terms and conditions governing the grant. The Company's Board of Directors shall have complete and unfettered discretion to decide whether or not to grant you an equity award, to establish the amount and type of such award, if any, the vesting schedule, and to set all other terms and conditions of the award in accordance with the Company's applicable equity plan. Receipt of any equity grant will be contingent upon your execution of an equity agreement, the terms of which will be established by the Company's Board in its discretion.

Make-Whole Equity Award: It is the Company's intent to recommend that you receive a one-time, make-whole award grant of RSUs as an inducement to your commencement of employment with the Company and representing an amount comparable to forfeited compensation from your former employer, at the next available grant cycle following your commencement of employment, with an aggregate grant date fair value of approximately $2,300,000.00 (subject to rounding), using the average closing price of the Company's common stock over the 30 trading days immediately preceding the commencement of your employment with the Company to calculate the number of RSUs (the "Make-Whole Equity Award"). The Make-Whole Equity Award vests ratably over a 3-year period commencing on the first anniversary of the grant date. All equity grants are contingent upon your execution of an equity award agreement that will contain terms and conditions governing the grant, as well as a confidentiality, non-solicitation and non-compete agreement.

One-Time Equity Award: It is the Company's intent to recommend that you receive a one-time grant as an inducement to your employment with the Company, at the next available grant cycle following your commencement of employment, of an award of PSUs with an aggregate grant date fair value of approximately $1,700,000.00 (subject to rounding), using the average closing price of the Company's common stock over the 30 trading days immediately preceding your commencement of employment to calculate the target number of PSUs (the "One-Time Equity Award"). The One-Time Equity Award vests over a 3-year performance period commencing on the first anniversary of the grant date. All equity grants are contingent upon your execution of an equity award agreement that will contain terms and conditions governing the grant, as well as a confidentiality, non-solicitation and non-compete agreement. Notwithstanding any stock price calculation, the total number of RSUs comprising the Make-Whole Equity Award and the total number of PSUs comprising this One-Time Equity Award, combined, shall not exceed 400,000 total RSUs/PSUs. Notwithstanding any contradictory or different language in any Company plan or document, in the event of a Change in Control (as such term is defined in the Fortrea Holdings Inc. 2023 Omnibus Incentive Plan) occurring before the first anniversary of the grant date, one-third of the Target Performance Shares specified in the notice of grant for the One-Time Equity Award will vest at closing, with the actual number of shares determined based on the price per share in the Change in Control; and, in the event of a Change in Control occurring on or after the first anniversary of the grant date and before the Vesting Date (as such term is defined in the award agreement for the One-Time Equity Award), a prorated number of Target Performance Shares shall vest in an amount determined based on a fraction, the numerator of which is the number of full months that have elapsed since the first day of your employment with the Company and the denominator of which is the number of full months between your start date and the Vesting Date.

Benefits: Your Fortrea benefits (if eligible) —for you and any eligible dependent(s)—are granted on the first day of the month following your start date. You shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time, that are generally made available to senior executives of the Company. The Company reserves the right to amend, modify, or cancel any employee benefit plans, practices, and programs, and any fringe benefits at any time.

Prior Employer Obligations; Defense of Claims: In response to your request to the Company, and subject to the limitations below, the Company agrees to reimburse you for reasonable, documented, out-of-pocket legal fees and expenses actually incurred by you in connection with the defense of any third-party claim first asserted against you by Clario Holdings, Inc., Goldcup TopCo, L.P., or Thermo Fisher Scientific Inc. ("**Clario Parties**") alleging that your employment with the Company constitutes a breach of Section 6(a)(i) of the Transaction Support Agreement dated October 28, 2025 entered into by you and the Clario Parties ("**Clario Covenant Agreement**"). Having reviewed the Clario Covenant Agreement, you have informed us you believe in good faith that your employment by the Company, as contemplated herein, should not be considered a breach of the Clario Covenant Agreement, and the Company has made its own independent determination regarding these matters to the same conclusion. You covenant to the Company that you will not, during the course of your employment with the Company, seek to utilize any trade secrets or confidential or proprietary information belonging to any of your prior employers or take any action that would breach any obligation you may have to your prior employers.

The Company's indemnification obligations to you are limited as follows:

(a) The Company shall have no obligation to indemnify you for (i) any amounts paid to settle any claim; (ii) any judgments, fines, penalties, or other monetary awards entered against you; (iii) any forfeiture, reduction, or denial of severance pay, equity awards, or any other compensation under any Company plan, program, policy, or agreement; (iv) any consequential, special, or indirect damages, including lost compensation or benefits; (v) any claims arising from any agreement other than Section 6(a)(i) of the Clario Covenant Agreement; and (vi) any fees, costs, or expenses incurred as a result of you asserting any counterclaims against any of the Clario Parties.

(b) The Company shall have no obligation to indemnify you, and may recover any amounts paid to you for indemnification, if any claim arises out of or relates to (i) your gross negligence, willful misconduct, or fraud with respect to the Company; (ii) your breach of fiduciary duty to the Company; (iii) your use, disclosure, or misappropriation of confidential or proprietary information or trade secrets of any third party, including the Clario Parties; (iv) conduct outside the scope of your employment with the Company; or (v) your material breach of any agreement with the Company.

You shall promptly notify the Company in writing provided to both the Company's Chief Executive Officer and the Company's General Counsel of any claim covered by this indemnification obligation or for which you intend to seek indemnification. The Company's obligation to indemnify you under this offer letter is conditioned on your continued compliance with your representations and obligations in this offer letter regarding your prior employers.

You shall select and retain defense counsel; provided, however, that the Company's obligation to reimburse legal fees shall be limited to fees charged at rates that are reasonable and customary for attorneys of similar experience and qualifications in the relevant jurisdiction. The Company shall have no obligation to advance fees or expenses and shall reimburse only after receipt of reasonably detailed invoices.

Nothing in this offer letter shall be construed as an admission or acknowledgment by the Company that your employment with the Company violates any agreement or that any indemnification obligation has been triggered.

Conditions of Employment: This offer and your employment by the Company are contingent upon the timely and successful completion of a post-offer drug screen test, background evaluation including but not limited to whether or not you have been sanctioned or excluded from participating in any Medicare, Medicaid or other government-funded program, and U.S. Citizenship and Immigration Service's I-9 Form. This offer and your employment by the Company are also contingent upon your timely execution of all documentation required by the Company as part of the orientation process, including, but not limited to, execution of tax withholding documentation and execution of a Confidentiality/Non-Competition/Non-Solicitation Agreement. You have represented to the Company, and the Company conveys this offer in reliance upon your representations, that you have disclosed all restrictive covenants with any former employer that would remain in effect at any point during your employment with the Company. The Company expects that you will honor and protect all contractual and legal obligations owed to any former employer and will not use, disclose or divulge any trade secrets or confidential and proprietary information of your former employer in the course of your employment with the Company. In the event you believe that the performance of the duties of your position might violate any legal or contractual obligation owed to any prior employer, you must immediately report your concerns to your supervisor, and the Company reserves the right to review any contractual agreements previously signed by you that may restrict or prevent you from performing your job duties. The Company further reserves the right to rescind your offer of employment should the Company determine that any prior agreement restricts or prevents you from performing those duties.

Background Checks: This offer of employment and the commencement date set forth above are conditional upon satisfactory completion of background checks as permitted under applicable laws. Failure to satisfactorily complete the background checks may result in the deferral of the commencement date to a later date to be determined by the Company, withdrawal of the offer of employment, or dismissal, in accordance with the terms of this offer letter and applicable laws.

Confidentiality/Non-Competition/Non-Solicitation Agreement: We attach and incorporate by reference the Confidentiality/Non-Competition/Non-Solicitation Agreement as if fully set forth herein. By signing this offer letter, you agree to be, and hereby are, bound to all terms and conditions of that agreement. Carefully read the full agreement before signing this offer letter.

Term of Employment: Your employment with the Company is an at-will relationship. As such, and subject to the terms of the Fortrea Inc. Master Senior Executive Severance Plan or its successor plan, both you and the Company retain the right to terminate your employment at any time for any reason not prohibited by law.

By signing below, you hereby confirm that you have represented to the Company (and the Company conveys this offer in reliance upon your representations) that you can perform the duties of this position and are not bound by a non-compete/non-solicitation or similar agreement between you and any former employer or any third party that you have not provided to the Company for review. This offer letter supersedes any previous offer letters provided to you by the Company.

I hope the above terms are acceptable and I look forward to having you join the Fortrea team as we transform drug and device development for partners and patients across the globe. Please do not hesitate to reach out to me directly if you have any questions.

Sincerely,

/s/ David Cooper

Name: David H. Cooper

Title: Chief Administrative Officer

By electronically signing below, I knowingly and voluntarily sign this offer letter and specifically understand that I am bound by the terms and conditions of the attached Confidentiality/Non-Competition/Non-Solicitation Agreement.

/s/ Jason Knoblauch

Name: Jason Knoblauch

Date: June 22, 2026

CONFIDENTIALITY/NON-COMPETITION/NON-SOLICITATION AGREEMENT

During the course of your employment with Fortrea Holdings Inc. ("Fortrea") or its subsidiaries, divisions, or affiliates, you will have access to, or will acquire, highly Confidential Information (as defined below) and Trade Secrets (as defined below) concerning Fortrea's and the Employer Company's, as defined in Paragraph 9(e), business, including, but not limited to, customer lists, pricing, methods of pricing, marketing practices, advertising strategy, methods of operation and the needs and requirements of Employer Company's and/or Fortrea's customers. In addition, you will receive from Fortrea or Employer Company and/or be exposed to Fortrea's or the Employer Company's valuable technical and marketing information that will materially aid you in the performance of your duties on behalf of the Employer Company, and assist you and/or the Employer Company in furthering the Employer Company's business interests, including establishing and retaining the Employer Company's customers. The support furnished to you by the Employer Company will enable you to increase the value of the Employer Company's goodwill with the Employer Company's customers, which is a valuable asset of the Employer Company.

As indicated by the foregoing, the services you will be performing for the Employer Company will be of a special, unique and extraordinary nature. Accordingly, in consideration of your employment with Fortrea and Fortrea extending to you, as applicable, certain incentive compensation in the form of Restricted Stock Units, Performance Shares, Restricted Stock and/or Options as set forth in the offer letter or Agreement(s) to which this agreement is made a part thereof and which governs the grant of said benefits, any and all of which benefits otherwise would not be provided to you absent your agreement to be bound by the terms of this Confidentiality/Non-Competition/Non-Solicitation Agreement ("Restrictive Covenant Agreement"), you agree that:

1. **Property Rights and Work Product**. All ideas, inventions, discoveries, developments, standard operating procedures, designs, algorithms, improvements, formulae, processes, techniques, programs, know-how, data, databases, notes, business plans, reports, presentations, and any other work product relating to the Employer Company's business or anticipated business, together with all printed, physical and electronic copies and other tangible embodiments thereof (hereafter collectively referred to as "Work Product") created, generated, developed, conceived or reduced to practice by you individually or jointly with others as part of your employment with the Employer Company shall (to the extent consisting of copyrightable subject matter) be deemed to be work made for hire, and the Employer Company shall be the sole owner of all rights, title and interest in and to the Work Product. To the extent such Work Product, or any part thereof, does not constitute "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101) or equivalent laws of a non-US jurisdiction, you agree to permanently and irrevocably assign, and hereby permanently and irrevocably assign, to the Employer Company all of your right, title and interest in and to the Work Product, together with all goodwill therein and the right to sue, counterclaim and recover for past, present and future infringement misappropriation, and dilution thereof. The Employer Company may, at its own

expense, prepare and process applications for copyrights, trademarks, service marks, or patents and other intellectual property rights therein arising in any jurisdiction, and may take other actions that it deems necessary or appropriate to protect its rights in and to the aforementioned items. You shall cooperate with the Employer Company in protecting and enforcing its rights therein, including by executing such applications and other documentation prepared for the protection and enforcement of its rights, title and interest in such Work Product and assigning such documentation to the Employer Company, and delivering to the Employer Company all printed, physical and electronic copies and other tangible embodiments of the Work Product that may come into your possession. This Paragraph 1 shall not apply to an invention that you developed entirely on your own time without using the Employer Company's equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the Employer Company's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by you for the Employer Company.

2. **Confidentiality**. You agree that during the term of your employment and for any time after your termination, you shall not, without the prior written consent of the Employer Company, divulge to any third party or use for your own benefit, or for any purpose other than the exclusive benefit of the Employer Company, any Confidential Information of the Employer Company, Fortrea and its subsidiaries, divisions, or affiliates. In this Restrictive Covenant Agreement, "Confidential Information" shall mean information that concerns the Employer Company's, Fortrea's and its subsidiaries', divisions', or affiliates' Trade Secrets, prices, pricing methods, costs, profits, profit margins, suppliers, methods, procedures, processes or combinations or applications thereof developed in, by, or for the Employer Company's business, research and development projects, data, business strategies, marketing strategies, sales techniques, customer, supplier or employee lists, customer information, financial information, employee performance or evaluations (other than your own), or any other information concerning the Employer Company or its business that is not readily and easily available to the public or to those persons in the same business, trade, or industry of the Employer Company. The term "Trade Secret" as used in this Restrictive Covenant Agreement shall mean any proprietary information, including a formula, pattern, compilation, program, device, method, technique, or process, which is marked in writing as a 'trade secret' at the time of disclosure, that: (i) gives its owner an opportunity to obtain an advantage over competitors who do not know or use it; (ii) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means or by reverse engineering by other persons who can obtain economic value from its disclosure or use; and (iii) is the subject of reasonable efforts, under the circumstances, by its owner to maintain its secrecy. The term "customer information" as used in this Restrictive Covenant Agreement shall mean information that concerns the course of dealing between the Employer Company

and its customers or potential customers solicited by the Employer Company, customer preferences, particular contracts or locations of customers or potential customers, negotiations with customers, and any other information concerning customers or potential customers obtained by the Employer Company that is not readily and easily available to the public or to those in the business, trade, or industry of the Employer Company. Your obligation not to disclose Confidential Information does not prohibit you from (a) disclosing the information to a government agency if you are required to produce the information pursuant to a subpoena, court order, administrative order or other legal process, (b) discussing terms and conditions of employment or engaging in other activities protected by the National Labor Relations Act, (c) communicating with the Securities and Exchange Commission about securities law violations, or (d) communicating with any other government entity or agency if such communication is to report a violation of applicable law. However, you shall notify the Employer Company in writing within three (3) calendar days of the receipt of any subpoena, court order, administrative order or other legal process requiring disclosure of Confidential Information and shall provide the Employer Company with a copy of said subpoena, court order, administrative order or other legal process. The U.S. Defend Trade Secrets Act of 2016 (the "DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement prevents you from providing, without prior notice to the Company or Employer Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations.

3. **Non-Solicitation of Fortrea Employees**. During the term of your employment with the Company or the Employer Company and for a period of twelve (12) months following the termination of your employment with the Company or the Employer Company, you shall not, and shall not instruct or assist a subordinate, co-worker, peer, or any other person or entity to, contact, solicit, encourage or induce any officer, director or employee of Fortrea or its subsidiaries and affiliates to work for or provide services to you and/or any other person or entity that either (i) directly provides products or services that compete with the products or services provided by the Employer Company in a geographic market serviced by the Employer Company or (ii) supplies, services, advises or consults with a person, trade or business that provides products or services that compete with the products or services provided by the Employer Company in a geographic market serviced by the Employer Company.

4. **Non-Solicitation of Customers.** During your employment with the Company or the Employer Company and for a period of twelve (12) months following the voluntary or involuntary termination of your employment, you will not, and shall not instruct or assist a subordinate, co-worker, peer or other person or entity to, call upon, contact, or solicit or attempt to call upon, contact or solicit any customer or customer prospect of the Employer Company, with a view toward the sale or providing of any service or product competitive with the products and services offered by the Employer Company; provided, however, the restrictions set forth in this Paragraph 4 shall apply only to customers or prospects of the Employer Company, or representatives of the same, with which you had contact during the last twenty-four (24) months of your employment with the Employer Company. The parties agree and affirm that their intention with respect to this Paragraph 4 is that your activities be limited only for a twelve (12) month period after termination of your employment with the Employer Company for any reason. The provisions calling for a “look back” of twenty-four (24) months prior to the termination of employment are intended solely as a means of identifying the customers and potential customers to which such restrictions apply and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction**.**

5. **Noncompetition**. During your employment with the Company or the Employer Company and for a period of twelve (12) months following your voluntary or involuntary termination of employment, you shall not become an owner in, shareholder with more than a 2% equity interest in, investor in, or an employee, contractor, consultant, advisor, representative, officer, director, or agent of, a trade or business that offers products and services that are the same or substantially similar to the products and services provided by the Employer Company in any geographic market in which the Employer Company conducts business ("Competitor"), as evidenced by the books and records of the Employer Company; provided, however, that the duties and responsibilities of said employment or engagement as an owner in, shareholder with more than 2% equity interest in, investor in, employee, contractor, consultant, advisor, representative, officer, director or agent are (i) the same, substantially similar to, or substantially related to your current duties and responsibilities or duties or responsibilities performed by you while employed by the Employer Company at any time during a six (6) month period prior to your date of termination of employment and (ii) related to or concerning the Competitor's business activities in the Restricted Territory. The parties agree and affirm that their intention with respect to this Paragraph 5 is that your activities shall be limited only for the twelve (12) month period after termination of employment for any reason. The provisions calling for a "look back" of six (6) months prior to the date of termination of employment are intended solely as a means of identifying the duties and responsibilities that will define the restricted activities covered by this Paragraph 5 and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction. For purposes of this Paragraph 5, the term "Restricted Territory" means the geographic area that is part of your current duties and responsibilities or the geographic area that was part of your duties and responsibilities within the six (6) month period prior to the date of your termination of employment. If a court of competent jurisdiction determines that the Restricted Territory as defined herein is too restrictive, then the parties agree that said court may reduce or limit the Restricted Territory to the largest acceptable area so as to enable the enforcement of this Paragraph 5.

6. **Return of Confidential Information**. At any time upon the request of the Employer Company or upon your termination of your employment, you shall return to the Employer Company any and all Employer Company property including but not limited to laptops, phones, smart phones and documents or materials in your possession, custody and control that contain Confidential Information. You also agree that upon termination of employment, you shall destroy any Confidential Information stored on your personal computer or other data storage device. Along with the return of said documents and materials, you shall provide the Employer Company (upon the Employer Company's request) with a sworn or written statement indicating that you do not have possession, custody and control of any of the Employer Company's Confidential Information and have destroyed all of the Employer Company's data electronically stored on your personal computer or other data storage device, including any copies made at any time.

7. **Notice**. Notice shall be effective only if it is made in writing and actually or constructively received by the individuals below. To be effective, any notice required under this Restrictive Covenant Agreement must be sent by nationally recognized express delivery courier or by certified mail, return receipt requested, to the person(s) and address(es) listed below.

Chief Executive Officer
Fortrea Holdings Inc.
8 Moore Drive
Durham, NC 27709

with a copy to:

Chief Administrative Officer
Fortrea Holdings Inc.
8 Moore Drive
Durham, NC 27709

and, if to you, notice shall be sent to your last known mailing address on record at the Employer Company. You have an obligation to ensure that the Employer Company's records contain your most recent address.

8. **Breach/Available Remedies**.

a. Except as otherwise provided in this subparagraph, if any provision of this Restrictive Covenant Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Restrictive Covenant Agreement; provided, that if any provision contained in this Restrictive Covenant Agreement shall be adjudicated to be invalid or unenforceable because such provision is held to be excessively broad as to duration, geographic scope, activity or subject, the parties agree that the said provision shall be limited and reduced to the maximum extent compatible with the applicable laws of such jurisdiction, and such amendment only to apply with respect to the operation of such provision in the applicable jurisdiction in which the adjudication is made.

b. You agree that as part of this Restrictive Covenant Agreement, you will have access to the Employer Company's Confidential Information, personnel, and existing and potential customers of the Employer Company. You further agree that the Employer Company maintains a competitive advantage over other persons or entities in the trade or business of providing commercial drug development and medical testing services as a result of the Employer Company's Confidential Information, personnel, and existing and potential customer contacts. You further agree that the Employer Company will be placed at a competitive disadvantage in the event that you breach this Restrictive Covenant Agreement and that damages would not be an adequate or reasonable remedy in the event of such breach. Accordingly, you stipulate that in the event that you breach one or more of the provisions set forth in this Restrictive Covenant Agreement, the Employer Company will be entitled to an injunction restraining you from violating the terms of those paragraphs. Nothing herein shall be construed as prohibiting the Employer Company from pursuing any other remedy available for such breach or prospective breach.

9. **Miscellaneous**.

a. Absent any other agreement to the contrary, nothing herein shall be construed as giving you the right to continued service or employment relationship with the Employer Company. This Agreement does not alter or amend in any way the Employer Company's right to terminate the employment relationship in accordance with any offer letter, employment contract or applicable law.

b. You represent and warrant that you are not a party to any contract, agreement or understanding that prevents or prohibits you from entering into and fully performing under this Restrictive Covenant Agreement.

c. In the event a court of law declares any provision of this Restrictive Covenant Agreement to be null and void, it is understood and agreed by you and the Employer Company that such clause shall be severed from this Restrictive Covenant Agreement and that the remaining provisions of this Restrictive Covenant Agreement shall continue to be binding on you.

d. It is understood and agreed by you and Fortrea that this Confidentiality/Non-Competition/Non-Solicitation Agreement constitutes the agreement in its entirety and supersedes any previous Confidentiality/Non-Competition/Non-Solicitation Agreement previously executed by you as part of an Equity Award Agreement with Fortrea. This Confidentiality/Non-Competition/Non-Solicitation Agreement replaces any other non-compete, non-solicitation and confidentiality agreement which you may have previously executed in favor of Fortrea or one of its subsidiary companies incorporated within the United States. This Confidentiality/Non-Competition/Non-Solicitation Agreement shall not replace, amend, restrict, otherwise modify or supersede any employment contract or agreement between you and a foreign subsidiary of Fortrea and shall not amend, alter or affect any non-compete, non-solicitation or confidentiality agreement executed by you and Fortrea or an Employer Company in connection with a merger or acquisition agreement of a business entity with whom you were previously employed or affiliated, including, but not limited to, an ownership or investment interest in said entity.

e. For purposes of this Restrictive Covenant Agreement, the Employer Company shall mean Fortrea or its subsidiary and affiliated companies with whom you are employed at the commencement of your employment, as well as any subsequent parent, subsidiary or affiliated company that becomes the employing entity in the event of a transfer, promotion, assignment, reassignment or corporate restructuring.

f. As used herein, “affiliate” shall mean a current or future company or other business entity that, directly or indirectly, is controlled by, controls or is under common control with Fortrea. For the purposes of the preceding sentence, the meaning of the word “control” shall include, but not necessarily be limited to, ownership of more than fifty percent (50%) of the voting shares or other interest of the Employer Company or other business entity.

g. This Restrictive Covenant Agreement shall be binding upon you and shall inure to the benefit of the parties and their respective personal representatives, heirs, affiliates, successors, and assigns. Fortrea may at its sole discretion assign its rights under this Restrictive Covenant Agreement.

h. You affirm by signing this Restrictive Covenant Agreement that you have completely read this entire Restrictive Covenant Agreement and understand the terms and conditions included within this Restrictive Covenant Agreement. You also agree that this Restrictive Covenant Agreement may not be modified or altered in any respect except in writing, signed by you and Fortrea.

i. This Restrictive Covenant Agreement shall be deemed to have been entered into in the State of North Carolina and shall be construed in accordance with and governed by the laws of North Carolina, to the exclusion of the laws of any other forum including but not limited to the laws of the State of California. You agree, acknowledge and recognize that by virtue of your employment with the Employer Company, with its principal place of business in North Carolina, and your own contacts and business dealings with Fortrea and the Employer Company in North Carolina, North Carolina has a substantial relationship to this Restrictive Covenant Agreement and a materially greater interest in applying its laws, over and to the exclusion of the laws of any other forum, to the resolution of any dispute arising out of or relating to this Restrictive Covenant Agreement.

j. Any action, special proceeding or other proceeding, including without limitation any request for temporary, preliminary, or permanent injunctive relief with respect to this Restrictive Covenant Agreement shall be brought exclusively in the federal or state courts of the State of North Carolina. ***You and the Employer Company irrevocably consent to the jurisdiction of the Federal and State courts of North Carolina and you hereby consent and submit to personal jurisdiction in the State of North Carolina. You and the Employer Company irrevocably waive any objection, including an objection or defense based on lack of personal jurisdiction, improper venue or forum non-conveniens which either may now or hereafter have to the bringing of any action or proceeding in connection with this Restrictive Covenant Agreement. You acknowledge and recognize that in the event that you breach this Restrictive Covenant Agreement, the Employer Company may initiate a lawsuit against you in North Carolina, that you waive your right to have that lawsuit be brought in a court located closer to where you may reside, and that you will be required to travel to and defend yourself in North Carolina. You likewise agree that to the extent you institute any action arising out of or relating to this Restrictive Covenant Agreement, it shall be brought in North Carolina and doing so does not present any undue burden or inconvenience to you.***

k. You shall at all times abide by such laws and regulations, including but not limited to such laws which relate to the improper inducement for referrals of items or services reimbursable by the Federal health care programs 42 U.S.C. § 1320a-7b(b) (the "anti-kickback statute"). You acknowledge that you are (i) aware that the United States securities laws prohibit any person who has material nonpublic information about the Employer Company from purchasing or selling securities of such Employer Company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities and (ii) familiar with the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder and agrees that you will neither use, nor cause any third party to use, any information in contravention of such Act or any such rules and regulations, including Rules 10b-5 and 14e-3.

l. Except as stated otherwise herein, this Restrictive Covenant Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no representations, warranties, covenants, conditions, understandings or agreements other than those expressly set forth herein.

[*Signature page to the Confidentiality/Non-Competition/Non-Solicitation Agreement*]

Agreed and Accepted:

/s/ Jason Knoblauch

Name: Jason Knoblauch

Date: June 22, 2026

Exhibit 10.2

FORTREA HOLDINGS INC.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

The Board of Directors of Fortrea Holdings Inc. (the "Company") approved the following Non-Employee Director Compensation Policy (the "Policy") which establishes compensation to be paid to non-employee directors of the Company, effective as of May 20, 2026 (the "Effective Date"), to provide an inducement to obtain and retain the services of qualified persons to serve as members of the Company's Board of Directors.

I. Applicable Persons

This Policy shall apply to each director of the Company who is not an employee of the Company or any Affiliate (each, a "Non-Employee Director"). "Affiliate" shall mean an entity which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

II. Equity Grant

All equity amounts set forth herein shall be subject to automatic adjustment in the event of any stock split or other recapitalization affecting the Company's common stock.

A. Annual Equity Grants

Annually, each Non-Employee Director shall be granted restricted stock units ("RSU") with a market value as of the date of grant of $210,000 under the Company's 2023 Omnibus Incentive Plan (the "2023 Plan") on the date of the first meeting of the Board of Directors held following the Company's annual meeting of stockholders.

B. Initial Equity Grant for Newly Appointed or Elected Directors

Each new Non-Employee Director shall be granted restricted stock units ("RSU") with a market value as of the date of grant of $210,000 under the Company's 2023 Plan, pro-rated in year of initial election, at the first regularly scheduled meeting of the Board of Directors on or after his or her initial appointment or election to the Board of Directors.

C. Terms for All Equity Grants

Unless otherwise specified by the Board of Directors or the Management Development and Compensation Committee at the time of grant, all equity granted under this Policy shall (i) vest 100% one year from the date of grant; (ii) vest 100% upon the consummation of a change-in-control; and (iii) contain such other terms and conditions as set forth in the form of RSU agreement approved by the Board of Directors or the Compensation Committee prior to the grant date. Subject to the continued service of each Non-Employee Director and unless otherwise specified by the Board of Directors or the Compensation Committee at the time of grant, each annual equity grant shall vest on the first anniversary of the date of grant and each initial equity grant shall vest on the one year anniversary date of grant.

III. Annual Fees

A. Amounts

Each Non-Employee Director serving on the Board of Directors and the Audit Committee, Management Development and Compensation Committee and/or Nominating, Corporate Governance and Compliance Committee, as applicable, shall be entitled to the following annual amounts (the "Annual Fees"):

Board of Directors / Committee Chairs	Annual Retainer Amount for Directors and Chairs
Board of Directors	$90,000
Chairman of the Board	$125,000
Audit Committee Chair	$25,000
Management Development and Compensation Committee Chair	$20,000
Nominating, Corporate Governance and Compliance Committee Chair	$20,000

Except as otherwise set forth in this Policy, all Annual Fees shall be paid in cash.

B. Payments

Payments payable to Non-Employee Directors shall be paid quarterly in arrears promptly following the end of each fiscal quarter, provided that (i) the amount of such payment shall be prorated for any portion of such quarter that such director was not serving on the Board of Directors or a committee; and (ii) no fee shall be payable in respect of any period prior to the date such director was elected to the Board of Directors or a committee.

IV. Director Compensation Limits

The aggregate maximum value of compensation granted to any Non-Employee Director of the Company for such service in any one calendar year may not exceed $600,000 in total value; provided, that the Board of Directors may make exceptions to this limit for individual Non-Employee Directors in extraordinary circumstances as the Board of Directors may determine in its sole discretion, as long as (i) the aggregate limit does not exceed $750,000 in total value during a fiscal year; and (ii) the Non-Employee Director receiving such additional compensation does not participate in the decision to award such compensation.

V. Expenses

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Non-Employee Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board of Directors and committees thereof or in connection with other business related to the Board of Directors.

VI. Amendments

The Management Development and Compensation Committee shall periodically review this Policy to assess whether any amendments in the type and amount of compensation provided herein should be made and shall make recommendations to the Board of Directors for its approval of any amendments to this Policy.

Exhibit 31.1

**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: July 29, 2026

/s/ Anshul Thakral
Anshul Thakral
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, David Ross Smith, 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: July 29, 2026

/s/ David Ross Smith
David Ross Smith
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 June 30, 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: July 29, 2026

/s/ Anshul Thakral

Anshul Thakral
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

I, David Ross Smith, Interim 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 June 30, 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: July 29, 2026

/s/ David Ross Smith
David Ross Smith
Interim Chief Financial Officer
(Principal Financial Officer)