Labcorp Unveils New Name for Future Independent Clinical Development Business - Fortrea

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Fortrea Will Become a Leading, Pure-play CRO Focused on Driving Innovation and Improving Patient Outcomes Worldwide

Spin-off Remains on Track to Be Completed in Mid-2023

BURLINGTON, N.C.--(BUSINESS WIRE)--Feb. 9, 2023-- Labcorp (NYSE: LH), a leading global life sciences company, today announced that the new company to be formed by the planned spin-off of its Clinical Development business will be known as Fortrea. Upon completion of the spin-off from Labcorp, Fortrea will operate as an independent, publicly traded global CRO that offers comprehensive drug and medical device development services. With over 19,000 people, Fortrea will provide Phase I through IV clinical trial management and commercialization solutions to pharmaceutical and biotechnology organizations around the world.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20230208006050/en/



Fortrea (Graphic: Business Wire)

Fortrea will make life-changing innovation possible by combining decades of experience with the nimbleness needed today to improve the drug development process. Fortrea intends to help customers drive innovation and advance next-generation therapies for patients worldwide.

Incorporating the “F” from Fortrea, the new logo is an arrow representing the forward momentum that is innate to the business. It expresses the agile, nimble way Fortrea breaks from conformity and makes a visual nod to the data that powers its approach to innovation. More about the brand and identity can be found on Fortrea.com.

“Today marks a significant milestone as we progress toward becoming an independent company and capturing the enormous opportunity ahead,” said Tom Pike, president and CEO of Labcorp’s Clinical Development business and future CEO and chairman of the board of Fortrea. “The announcement of Fortrea signals to the world what we are building: a leading, pure-play CRO positioned to serve customers, deliver life-changing medicines faster and create lasting value for all our stakeholders.”

“The debut of the Fortrea brand is a defining moment in our journey to create a transformative force in clinical drug and device development,” said Amy Summy, executive vice president and chief marketing officer of Labcorp. “Working side by side with partners, the Fortrea name represents innovation and agility—improving the trial process and delivering life-changing solutions faster.”

As previously announced, Labcorp intends to spin out the Company’s wholly owned Clinical Development business to Labcorp shareholders through a transaction intended to be tax free for U.S. federal income tax purposes. The planned spin-off will result in two independent, publicly traded companies, each poised for strong, sustainable growth:

- Labcorp: A leading global healthcare and life sciences company comprising Labcorp’s Diagnostics, Central Labs and Early Development Research Labs businesses, all of which are leaders with deep scientific expertise; vast health data and insights; and an extensive, advanced global laboratory network.
- Fortrea: A leading global Contract Research Organization (CRO) providing Phase I-IV clinical trial management, market access and technology solutions to pharmaceutical and biotechnology organizations.

The spin-off is expected to be completed in mid-2023, subject to the satisfaction of certain customary conditions, including, among others, the receipt of final approval by the Company's board of directors, the receipt of appropriate assurances regarding the tax-free nature of the separation, and the effectiveness of any required filings with the Securities and Exchange Commission. Until the spin-off is complete, the Clinical Development business and its products, services and offerings are still owned and operated by Labcorp. The new Fortrea brand identity will go into effect in connection with the spin-off from Labcorp.

More information regarding Fortrea, including the company’s full executive management team, board of directors and stock symbol will be announced in the coming months.

About Labcorp

Labcorp is a leading global life sciences company that provides vital information to help doctors, hospitals, pharmaceutical companies, researchers, and patients make clear and confident decisions. Through our unparalleled diagnostics and drug development capabilities, we provide insights and accelerate innovations to improve health and improve lives. With over 75,000 employees, we serve customers in more than 100 countries. Labcorp (NYSE: LH) reported revenue of $16 billion in FY2021. Learn more about us at www.Labcorp.com or follow us on LinkedIn and Twitter @Labcorp.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements, including but not limited to statements with respect to the proposed spin-off of the Clinical

Development business (“CD”), including statements regarding the expectation that the transaction will be consummated, the anticipated timing of the transaction, the benefits of the transaction, the opportunities for future growth and the leadership of the CD business.

Each of the forward-looking statements is subject to change based on various important factors, many of which are beyond Labcorp’s control, including without limitation: (i) uncertainties as to the completion and timing of the transaction; (ii) the failure to obtain appropriate assurances regarding the tax-free nature of the spin-off; (iii) the receipt of regulatory approvals; (iv) the effect of the announcement or pendency of the transaction on Labcorp’s business relationships, operating results, and business generally; (v) unexpected issues that arise in the continued planning for the transaction; (vi) the failure to have the Form 10 registration statement that will be filed with the SEC declared effective on a timely basis, or at all; (vii) risks that the proposed transaction disrupts current plans and operations of Labcorp or CD; (viii) potential difficulties as a result of the transaction with Labcorp or CD employee retention; (ix) risks related to diverting management’s attention from Labcorp and CD’s ongoing business operations; (x) the ability of Labcorp to successfully separate CD operations from Labcorp’s ongoing operations; (xi) market receptiveness to effect transactions in the capital markets; (xii) market reaction to the announcement and planning for the transaction; (xiii) continued availability and actual performance of leadership and (xiv) other risks that relate more generally to ongoing business operations, including the trading price of Labcorp’s stock, competitive actions and other unforeseen changes and general uncertainties in the marketplace, changes in government regulations, including healthcare reform, customer purchasing decisions, including changes in payer regulations or policies, other adverse actions of governmental and third-party payers, changes in testing guidelines or recommendations, federal, state, and local government responses to the COVID-19 pandemic, the impact of global geopolitical events, the effect of public opinion on the company’s reputation, adverse results in material litigation matters, the impact of changes in tax laws and regulations, failure to maintain or develop customer relationships, the company's ability to develop or acquire new products and adapt to technological changes, failure in information technology, systems or data security, the impact of potential losses under repurchase agreements, adverse weather conditions, the number of revenue days in a financial period, employee relations, personnel costs, inflation, and the effect of exchange rate fluctuations. These factors, in some cases, have affected and in the future (together with other factors) could affect Labcorp’s ability to implement its business strategy, including the proposed spin-off, and actual results could differ materially from those suggested by these forward-looking statements. As a result, readers are cautioned not to place undue reliance on any of the forward-looking statements.

Labcorp has no obligation to provide any updates to these forward-looking statements even if its expectations change. All forward-looking statements are expressly qualified in their entirety by this cautionary statement. Further information on potential factors, risks and uncertainties that could affect operating and financial results is included in Labcorp’s most recent Annual Report on Form 10-K and subsequent Forms 10-Q, including in each case under the heading RISK FACTORS, and in Labcorp’s other filings with the SEC. The information in this press release should be read in conjunction with a review of Labcorp’s filings with the SEC including the information in Labcorp’s most recent Annual Report on Form 10-K, and subsequent Forms 10-Q, under the heading MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.



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