



Second Quarter 2021 Supplemental Financial Information

July 29, 2021

labcorp

Cautionary Statement Regarding Forward-Looking Statements

This presentation of Laboratory Corporation of America Holdings contains forward-looking statements, statements with respect to (i) the estimated 2021 guidance and the related assumptions, (ii) the impact of various factors on operating and financial results, including the projected impact of the COVID-19 pandemic on the company's businesses, operating results, cash flows and/or financial condition, as well as general economic and market conditions, (iii) our responses to the COVID-19 pandemic, (iv) future business strategies, (iv) expected savings and synergies (including from the LaunchPad initiative and from acquisitions), and (v) opportunities for future growth.

Each of the forward-looking statements is subject to change based on various important factors, many of which are beyond the company's control, including without limitation, the impact of the COVID-19 pandemic and its impact on our business and financial condition and on general economic, business, and market conditions, our ability (or inability) to execute on our plans to respond to the COVID-19 pandemic, 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 effect of public opinion on the company's reputation, the outcome of our review of our structure and changes in capital allocation strategy, adverse results in material litigation matters, the impact of changes in tax laws and regulations, failure to maintain or develop customer relationships, our ability to develop or acquire new products and adapt to technological changes, failure in information technology, systems or data security, adverse weather conditions, the number of revenue days in a financial period, employee relations, personnel costs, and the effect of exchange rate fluctuations. These factors, in some cases, have affected and in the future (together with other factors) could affect the company's ability to implement the company's business strategy 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 our forward-looking statements.

The company has no obligation to provide any updates to these forward-looking statements even if our 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 the company'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 the company's other filings with the SEC. The information in this presentation should be read in conjunction with a review of the company's filings with the SEC including the information in the company'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.

Use of Adjusted Measures

The company has provided in this presentation and accompanying tables “adjusted” financial information that has not been prepared in accordance with GAAP, including adjusted net income, adjusted EBITDA, adjusted EPS (or adjusted net income per share), adjusted operating income, adjusted operating margin, free cash flow, and certain segment information. The company believes these adjusted measures are useful to investors as a supplement to, but not as a substitute for, GAAP measures, in evaluating the company’s operational performance. The company further believes that the use of these non-GAAP financial measures provides an additional tool for investors in evaluating operating results and trends, and growth and shareholder returns, as well as in comparing the company’s financial results with the financial results of other companies. However, the company notes that these adjusted measures may be different from and not directly comparable to the measures presented by other companies. Reconciliations of these non-GAAP measures to the most comparable GAAP measures and an identification of the components that comprise “special items” used for certain adjusted financial information are included in the tables accompanying this presentation.

Second Quarter Consolidated Results

(Dollars in Millions, Except Per Share Data)

	2Q21	2Q20	% Change
Revenues	\$3,840.7	\$2,768.8	38.7% ⁽²⁾
Adjusted Operating Income ⁽¹⁾	\$839.9	\$380.7	120.6%
<i>Adjusted Operating Margin</i>	<i>21.9 %</i>	<i>13.8 %</i>	<i>810 bps</i>
Adjusted EPS ⁽¹⁾	\$6.13	\$2.57	138.5%
Operating Cash Flow	\$487.2	\$370.7	31.4%
Less: Capital Expenditures	(\$97.2)	(\$98.5)	1.3%
Free Cash Flow	\$390.0	\$272.2	43.3%

(1) Adjusted operating income and Adjusted EPS exclude amortization, restructuring charges, and special items. See reconciliation of non-GAAP Financial Measures on slides 16 – 19.

(2) The increase was due to organic growth of 35.5%, acquisitions of 1.2%, and favorable foreign currency translation of 2.0%. PCR and antibody testing (COVID-19 Testing) revenue of \$444.0 million was flat compared to last year.

Year-To-Date Consolidated Results

(Dollars in Millions, Except Per Share Data)

	Six Months Ended 6/30/21	Six Months Ended 6/30/20	% Change
Revenues	\$8,002.2	\$5,592.6	43.1% ⁽²⁾
Adjusted Operating Income ⁽¹⁾	\$2,021.8	\$746.6	170.8%
<i>Adjusted Operating Margin</i>	25.3 %	13.3 %	1,200 bps
Adjusted EPS ⁽¹⁾	\$14.92	\$4.94	202.0%
Operating Cash Flow	\$1,644.8	\$574.5	186.3%
Less: Capital Expenditures	<u>(\$192.6)</u>	<u>(\$205.1)</u>	6.1%
Free Cash Flow	\$1,452.2	\$369.4	293.1%

(1) Adjusted operating income and Adjusted EPS exclude amortization, restructuring charges, and special items. See reconciliation of non-GAAP Financial Measures on slides 16 – 19.

(2) The increase was due to organic growth of 40.3%, acquisitions of 1.1%, and favorable foreign currency translation of 1.7%. The organic revenue increase includes a 23.8% contribution from the company's organic Base Business and a 16.6% increase in COVID-19 Testing. Base Business includes Labcorp's operations except for COVID-19 Testing.

Second Quarter Adjusted Segment Results

(Dollars in Millions)

	2Q21	2Q20	% Change
Revenue			
Diagnostics	\$2,365.5	\$1,692.7	39.7%
Drug Development	\$1,495.2	\$1,093.7	36.7%
Total Revenue ⁽¹⁾	\$3,840.7	\$2,768.8	38.7%
Adjusted Operating Income ⁽²⁾			
Diagnostics	\$663.2	\$308.8	114.8%
<i>Adjusted Operating Margin</i>	<i>28.0%</i>	<i>18.2%</i>	<i>980 bps</i>
Drug Development	\$221.1	\$112.7	96.2%
<i>Adjusted Operating Margin</i>	<i>14.8%</i>	<i>10.3%</i>	<i>450 bps</i>
Unallocated Corporate Expense	(\$44.4)	(\$40.8)	(9.1%)
Total Adjusted Operating Income	\$839.9	\$380.7	120.6%
<i>Total Adjusted Operating Margin</i>	<i>21.9%</i>	<i>13.8%</i>	<i>810 bps</i>

(1) Consolidated revenues and segment adjusted operating income are presented net of intersegment transaction eliminations and other amounts not used in determining segment performance.

(2) Adjusted operating income excludes amortization, restructuring charges, and special items. See Reconciliation of Non-GAAP Financial Measures on slides 16 – 19.

Year-To-Date Adjusted Segment Results

(Dollars in Millions)

	<u>Six Months Ended 6/30/21</u>	<u>Six Months Ended 6/30/20</u>	<u>% Change</u>
Revenue			
Diagnostics	\$5,123.3	\$3,394.7	50.9%
Drug Development	\$2,933.4	\$2,237.5	31.1%
Total Revenue ⁽¹⁾	\$8,002.2	\$5,592.6	43.1%
Adjusted Operating Income ⁽²⁾			
Diagnostics	\$1,654.8	\$563.0	193.9%
<i>Adjusted Operating Margin</i>	<i>32.3%</i>	<i>16.6%</i>	<i>1,570 bps</i>
Drug Development	\$455.3	\$263.5	72.8%
<i>Adjusted Operating Margin</i>	<i>15.5%</i>	<i>11.8%</i>	<i>370 bps</i>
Unallocated Corporate Expense	(\$88.3)	(\$79.9)	(10.6%)
Total Adjusted Operating Income	\$2,021.8	\$746.6	170.8%
<i>Total Adjusted Operating Margin</i>	<i>25.3%</i>	<i>13.3%</i>	<i>1,200 bps</i>

(1) Consolidated revenues and segment adjusted operating income are presented net of intersegment transaction eliminations and other amounts not used in determining segment performance.

(2) Adjusted operating income excludes amortization, restructuring charges, and special items. See Reconciliation of Non-GAAP Financial Measures on slides 16 – 19.

Second Quarter Adjusted Segment Results vs. 2019

(Dollars in Millions)

	2Q21	2Q19	CAGR
Revenue			
Diagnostics Total	\$2,365.5	\$1,760.9	15.9%
Base Business - Revenue	\$1,921.5	\$1,760.9	4.5%
Base Business - Volume			(0.8%)
Base Business - Price/Mix			5.2%
Drug Development Total	\$1,495.2	\$1,126.4	15.2%
Base Business - Revenue	\$1,485.9	\$1,126.4	14.9%
Total Revenue ⁽¹⁾	\$3,840.7	\$2,881.7	15.4%

(1) Consolidated revenue is presented net of intersegment transaction eliminations and other amounts not used in determining segment performance. Base Business includes Labcorp's operations except for COVID-19 Testing.

Year-To-Date Adjusted Segment Results vs. 2019

(Dollars in Millions)

	<u>Six Months Ended 6/30/21</u>	<u>Six Months Ended 6/30/19</u>	<u>CAGR</u>
Revenue			
Diagnostics Total	\$5,123.3	\$3,482.9	21.3%
Base Business - Revenue	\$3,737.5	\$3,482.9	3.6%
Base Business - Volume			(1.8%)
Base Business - Price/Mix			5.4%
Drug Development Total	\$2,933.4	\$2,201.0	15.4%
Base Business - Revenue	\$2,899.3	\$2,201.0	14.8%
Total Revenue ⁽¹⁾	\$8,002.2	\$5,672.9	18.8%

(1) Consolidated revenue is presented net of intersegment transaction eliminations and other amounts not used in determining segment performance. Base Business includes Labcorp's operations except for COVID-19 Testing.

Select Financial Metrics

(Dollars in Millions)

	<u>2Q20</u>	<u>3Q20</u>	<u>4Q20</u>	<u>1Q21</u>	<u>2Q21</u>
Total Depreciation	\$84.0	\$90.1	\$93.1	\$91.8	\$94.6
Total Amortization ⁽¹⁾	\$60.1	\$62.2	\$90.8	\$92.1	\$92.4
Total Adjusted EBITDA ⁽²⁾	\$467.2	\$1,249.8	\$1,528.2	\$1,279.3	\$943.4
Total Debt to Last Twelve Months Adjusted EBITDA ⁽²⁾	3.3x	2.2x	1.6x	1.2x	1.1x
Total Net Debt to Last Twelve Months Adjusted EBITDA ⁽²⁾⁽³⁾	3.0x	2.0x	1.2x	0.8x	0.7x

(1) Excludes amortization of deferred financing fees.

(2) Adjusted EBITDA excludes restructuring charges and special items. See reconciliation on slide 16.

(3) Net debt equals total debt less cash and cash equivalents.

Drug Development: Select Financial Metrics ⁽¹⁾

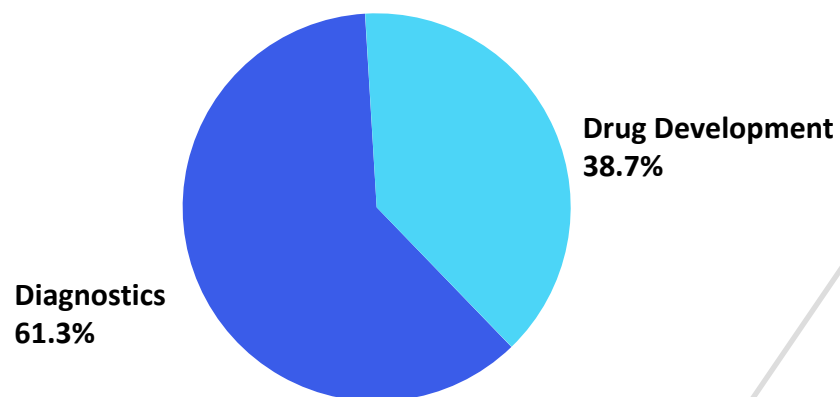
Trailing Twelve Month (TTM) Results		
	Net Orders	Net Book-to-Bill
TTM Ending June 30, 2021	\$7.9 billion	1.41x
TTM Ending March 31, 2021	\$7.6 billion	1.47x
TTM Ending December 31, 2020	\$7.0 billion	1.43x
TTM Ending September 30, 2020	\$6.1 billion	1.31x
TTM Ending June 30, 2020	\$6.1 billion	1.32x

	Backlog	Estimated revenue expected to convert from backlog in the next twelve months
As of June 30, 2021	\$14.3 billion	\$4.9 billion
As of March 31, 2021	\$14.0 billion	\$4.6 billion
As of December 31, 2020	\$13.8 billion	\$4.5 billion
As of September 30, 2020	\$12.5 billion	\$4.2 billion
As of June 30, 2020	\$11.8 billion	\$4.0 billion

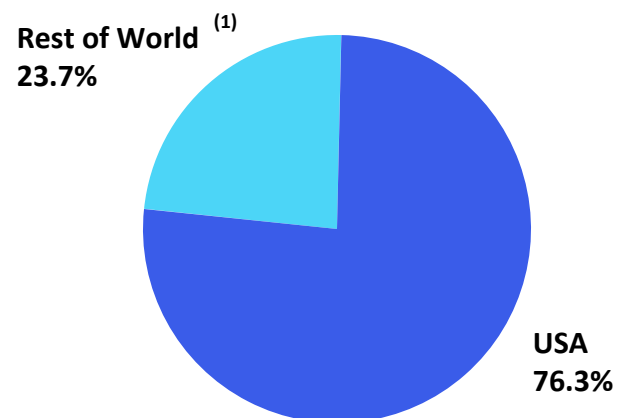
(1) Results shown include the impact from cancellations and foreign currency translation.

Second Quarter 2021 Revenue Distribution

Segment Distribution



Geographic Distribution



(1) Revenues recognized in over 30 currencies; the largest foreign currency accounts for less than 10% of total revenue.

Second Quarter 2021 Foreign Exchange Impact to Revenue⁽¹⁾ (Dollars in Millions)

	Dollars	Year over Year % Growth
<u>Consolidated</u>		
Revenue, as Reported	\$3,841	38.7%
Foreign Exchange Impact	(\$56)	(2.0%)
Revenue, Constant Currency	\$3,785	36.7%
<u>Diagnostics</u>		
Revenue, as Reported	\$2,366	39.7%
Foreign Exchange Impact	(\$15)	(0.9%)
Revenue, Constant Currency	\$2,350	38.8%
<u>Drug Development</u>		
Revenue, as Reported	\$1,495	36.7%
Foreign Exchange Impact	(\$40)	(3.7%)
Revenue, Constant Currency	\$1,455	33.0%

(1) Does not foot due to rounding.

Year-To-Date 2021 Foreign Exchange Impact to Revenue⁽¹⁾ (Dollars in Millions)

	Dollars	Year over Year % Growth
<u>Consolidated</u>		
Revenue, as Reported	\$8,002	43.1%
Foreign Exchange Impact	(\$95)	(1.7%)
Revenue, Constant Currency	\$7,907	41.4%
<u>Diagnostics</u>		
Revenue, as Reported	\$5,123	50.9%
Foreign Exchange Impact	(\$22)	(0.6%)
Revenue, Constant Currency	\$5,102	50.3%
<u>Drug Development</u>		
Revenue, as Reported	\$2,933	31.1%
Foreign Exchange Impact	(\$73)	(3.3%)
Revenue, Constant Currency	\$2,860	27.8%

(1) Does not foot due to rounding.

Supplemental Information on Price / Mix & Days

Price / Mix Versus Revenue Per Requisition ⁽¹⁾							
Year over Year % Change	Q4 2019	Q1 2020 ⁽⁷⁾	Q2 2020	Q3 2020	Q4 2020 ⁽⁷⁾	Q1 2021	Q2 2021
Revenue ⁽²⁾	3.7%	(1.2%)	(3.9%)	53.7%	79.5%	62.0%	39.7%
Volume (in requisitions) ⁽³⁾	2.5%	(4.4%)	(19.5%)	21.8%	33.9%	27.3%	39.6%
Price / mix ⁽⁴⁾	1.2%	3.3%	15.6%	31.9%	45.5%	34.7%	0.1%
Price / Mix Reconciliation							
Revenue per requisition ⁽⁵⁾	1.2%	3.5%	19.4%	26.2%	34.0%	27.3%	0.1%
Other mix ⁽⁶⁾	0.0%	(0.2%)	(3.8%)	5.7%	11.5%	7.4%	0.0%
Price / mix ⁽⁴⁾	1.2%	3.3%	15.6%	31.9%	45.5%	34.7%	0.1%

Days in 2021 Versus 2020 ⁽⁸⁾⁽⁹⁾					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year ⁽⁷⁾
Revenue Day Variance	- 0.75 Day	—	+ 0.25 Day	+ 0.25 Day	- 0.50 Day
Payroll Day Variance	- 1.00 Day	—	—	—	- 1.00 Day

(1) Price / mix and revenue per requisition are only applicable to the Diagnostics segment.

(2) Revenue variance percent: YOY change in revenue divided by prior year revenue.

(3) Volume (in requisitions) variance percent: YOY change in volume divided by prior year volume.

(4) Price / mix percent: Calculated as revenue variance percent, less volume (in requisitions) variance percent.

(5) Revenue per requisition variance percent: Current year revenue divided by current year requisition volume with result divided by the same calculation for the prior year, minus one.

(6) Other mix percent: YOY variance percentage in revenue per requisition multiplied by the YOY variance percentage in volume.

(7) Does not foot due to rounding.

(8) Year-over-year variances in Revenue Days and Payroll Days predominantly only impact the Diagnostics Segment.

(9) Day variances are rounded to the nearest quarter day.

2021 Financial Guidance

(Dollars in billions, except per share data)

	Full Year Results (in Dollars)		2021 Guidance (in Dollars)		2021 Guidance (% Versus 2020 Results)		2021 Guidance (CAGR ⁽⁷⁾ to 2019 Results)	
	<u>2019</u>	<u>2020</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Revenue								
Total Labcorp Enterprise ⁽¹⁾⁽²⁾	\$ 11.55	\$ 13.98	\$ 14.89	\$ 15.24	6.5%	9.0%	13.5%	14.9%
Base Business ⁽²⁾⁽³⁾	\$ 11.55	\$ 11.19	\$ 13.09	\$ 13.32	17.0%	19.0%	6.5%	7.4%
COVID-19 Testing ⁽²⁾	\$ -	\$ 2.78	\$ 1.72	\$ 1.86	(38.0%)	(33.0%)		
Total Diagnostics ⁽⁴⁾	\$ 7.00	\$ 9.25	\$ 9.16	\$ 9.44	(1.0%)	2.0%	14.4%	16.1%
Base Business	\$ 7.00	\$ 6.47	\$ 7.44	\$ 7.57	15.0%	17.0%	3.1%	4.0%
COVID-19 Testing	\$ -	\$ 2.78	\$ 1.72	\$ 1.86	(38.0%)	(33.0%)		
Total Drug Development ⁽⁵⁾	\$ 4.58	\$ 4.88	\$ 5.71	\$ 5.81	17.0%	19.0%	11.7%	12.6%
Base Business	\$ 4.58	\$ 4.76	\$ 5.66	\$ 5.76	19.0%	21.0%	11.2%	12.1%
Adjusted EPS	\$ 11.32	\$ 23.94	\$ 21.50	\$ 25.00	(10.2%)	4.4%	37.8%	48.6%
Free Cash Flow ⁽⁶⁾	\$ 1.04	\$ 1.75	\$ 1.95	\$ 2.15	11.4%	22.9%	36.9%	43.8%

(1) 2021 Guidance percent changes as compared to 2020 results includes a benefit from foreign currency translation of 1.0%.

(2) Enterprise level revenue is presented net of intersegment transaction eliminations, including Drug Development COVID-19 Testing revenue.

(3) Base Business includes Labcorp's operations except for COVID-19 Testing.

(4) 2021 Guidance percent changes as compared to 2020 results includes a benefit from foreign currency translation of 0.4%.

(5) 2021 Guidance percent changes as compared to 2020 results includes a benefit from foreign currency translation of 2.0%.

(6) Free Cash Flow consists of operating cash flow less capital expenditures.

(7) Compound annual growth rate from 2019 results to 2021 Guidance.

Reconciliation of Non-GAAP Financial Measures – Adjusted EBITDA (Dollars in Millions)

	2Q20	3Q20	4Q20	1Q21	2Q21
Operating Income	\$297.7	\$1,047.1	\$1,293.2	\$1,057.9	\$704.1
Add:					
Restructuring and special charges	6.4	7.1	1.7	19.2	9.6
Goodwill and other asset impairments	—	23.5	1.2	—	—
Other special charges ⁽¹⁾	16.5	15.9	42.6	12.7	33.8
Depreciation	84.0	90.1	93.1	91.8	94.6
Amortization of intangibles and other assets	60.1	62.2	90.8	92.1	92.4
Equity method income, net	1.8	3.0	4.7	4.5	8.0
EBITDA adjustments to equity method income, net	0.7	0.9	0.9	1.1	0.9
Adjusted EBITDA	467.2	1,249.8	1,528.2	1,279.3	943.4

(1) Other special charges as disclosed by the company in its quarterly earnings releases.

Reconciliation of Non-GAAP Income Statement (Dollars in Millions, Except Per Share Data)

	GAAP		Non-GAAP	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2021	2020	2021	2020
Revenues	\$ 3,840.7	\$ 2,768.8	\$ 3,840.7	\$ 2,768.8
Cost of revenues	2,575.9	2,008.3	2,569.8	1,999.5
Adjustments impacting revenues	—	—	—	—
Gross profit	1,264.8	760.5	1,270.9	769.3
Selling, general and administrative expenses	458.7	396.3	431.0	388.6
Amortization of intangibles and other assets	92.4	60.1	—	—
Goodwill and other asset impairments	—	—	—	—
Restructuring and other charges	9.6	6.4	—	—
Operating income	704.1	297.7	839.9	380.7
Other income (expense):				
Interest expense	(78.3)	(52.7)	(45.4)	(52.7)
Equity method income, net	8.0	1.8	8.0	1.8
Investment income	2.7	2.5	2.7	2.5
Other, net	14.1	47.7	(0.6)	(2.5)
Earnings before income taxes	650.6	297.0	804.6	329.8
Provision for income taxes	182.6	65.4	201.6	78.8
Net earnings (loss)	468.0	231.6	603.0	251.0
Less: Net earnings attributable to the noncontrolling interest	(0.6)	0.0	(0.6)	0.0
Net earnings (loss) attributable to Laboratory Corporation of America Holdings	\$ 467.4	\$ 231.6	\$ 602.4	\$ 251.0
Diluted earnings (loss) per common share	\$ 4.76	\$ 2.37	\$ 6.13	\$ 2.57
Weighted average diluted shares outstanding	98.2	97.7	98.2	97.7

Reconciliation of Non-GAAP Income Statement (Dollars in Millions, Except Per Share Data)

	GAAP		Non-GAAP	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues	\$ 8,002.2	\$ 5,592.6	\$ 8,002.2	\$ 5,592.6
Cost of revenues	5,138.4	4,104.1	5,128.7	4,090.8
Adjustments impacting revenues	—	—	—	17.0
Gross profit	2,863.8	1,488.5	2,873.5	1,518.8
Selling, general and administrative expenses	888.5	791.8	851.7	772.2
Amortization of intangibles and other assets	184.5	122.4	—	—
Goodwill and other asset impairments	—	437.4	—	—
Restructuring and other charges	28.8	31.8	—	—
Operating income	1,762.0	105.1	2,021.8	746.6
Other income (expense):				
Interest expense	(126.8)	(107.7)	(93.4)	(107.7)
Equity method income, net	12.5	(4.8)	12.5	2.3
Investment income	5.1	5.1	5.1	5.1
Other, net	19.6	31.6	4.9	(5.5)
Earnings before income taxes	1,672.4	29.3	1,950.9	640.8
Provision for income taxes	434.3	114.6	482.3	157.4
Net earnings (loss)	1,238.1	(85.3)	1,468.6	483.4
Less: Net earnings attributable to the noncontrolling interest	(1.1)	(0.3)	(1.1)	(0.3)
Net earnings (loss) attributable to Laboratory Corporation of America Holdings	\$ 1,237.0	\$ (85.6)	\$ 1,467.5	\$ 483.1
Diluted earnings (loss) per common share	\$ 12.58	\$ (0.88)	\$ 14.92	\$ 4.94
Weighted average diluted shares outstanding	98.4	97.8	98.4	97.8

Reconciliation of Non-GAAP Financial Measures⁽¹⁾

(Dollars in Millions, Except Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Adjusted Operating Income				
Operating Income	\$ 704.1	\$ 297.7	\$ 1,762.0	\$ 105.1
Amortization of intangibles and other assets ^(a)	92.4	60.1	184.5	122.4
Restructuring and other charges ^(b)	9.6	6.4	28.8	31.8
Acquisition and disposition-related costs ^(c)	9.0	4.6	14.7	13.0
LaunchPad system implementation costs ^(d)	1.5	0.2	2.8	1.1
Executive transition expenses ^(e)	0.5	7.8	2.8	10.6
COVID-19 related costs ^(f)	7.0	12.1	12.9	34.0
Goodwill and other asset impairments ^(g)	—	—	—	437.4
Other ^(h)	15.8	(8.2)	13.3	(8.8)
Adjusted operating income	<u>\$ 839.9</u>	<u>\$ 380.7</u>	<u>\$ 2,021.8</u>	<u>\$ 746.6</u>
Adjustments impacting revenues	\$ —	\$ —	\$ —	\$ 17.0
Adjusted operating margin	21.9 %	13.8 %	25.3 %	13.3 %
Adjusted Net Income				
Net Income	\$ 467.4	\$ 231.6	\$ 1,237.0	\$ (85.6)
Impact of adjustments to operating income	135.8	83.0	259.8	641.5
CARES Act Provider Relief Funds ⁽ⁱ⁾	—	(55.9)	—	(55.9)
Losses and (gains) on venture fund investments, net	(19.6)	5.2	(19.6)	25.4
Loss on sale of business	5.0	0.5	5.0	0.5
Debt refinancing costs	32.9	—	33.4	—
Change in UK Rates	17.1	—	17.1	—
Income tax impact of adjustments	(36.2)	(13.4)	(65.2)	(42.8)
Adjusted net income	<u>\$ 602.4</u>	<u>\$ 251.0</u>	<u>1,467.5</u>	<u>\$ 483.1</u>
Weighted average diluted shares outstanding	98.2	97.7	98.4	97.2
Adjusted net income per share	\$ 6.13	\$ 2.57	\$ 14.92	\$ 4.94

(1) Footnotes associated with Reconciliation of Non-GAAP Financial Measures are presented on slide 20.

Reconciliation of Non-GAAP Financial Measures — Footnotes

- (a) Amortization of intangible assets acquired as part of business acquisitions. In the fourth quarter of 2020, the company announced a rebranding resulting in an acceleration of the amortization of acquired trade names for the three and six months ended June 30, 2021.
- (b) Restructuring and other charges represent amounts incurred in connection with the elimination of redundant positions within the organization in connection with our LaunchPad initiatives and acquisitions or dispositions of businesses by the company.
- (c) Acquisition and disposition-related costs include due-diligence legal and advisory fees, retention bonuses and other integration or disposition related activities.
- (d) LaunchPad system implementation costs include non-capitalized costs associated with the implementation of systems as part of the LaunchPad business process improvement initiative.
- (e) Represents executive transition expenses related to various management reorganizations.
- (f) Costs related to incremental operating expenses and receivables reserves incurred as a result of the COVID-19 pandemic.
- (g) During the first quarter of 2020, the company determined that certain goodwill and long-lived assets were impaired. These charges were triggered by the economic conditions resulting from the COVID-19 pandemic.
- (h) Represents various non-operational items including rebranding, strategic review, litigation, data breach costs, insurance reimbursements, and acquisition contingent purchase price adjustments.
- (i) The company recorded \$55.9 million in funding from the Public Health and Social Services Emergency Fund for provider relief that was appropriated by Congress to the Department of Health and Human Services (HHS) in the Coronavirus Aid, Relief, and Economic Security Act. The company made a decision to return these funds during the third quarter of 2020.
- (j) The company makes venture fund investments in companies or investment funds developing promising technology related to its operations. The company recorded net gains and losses related to several distributions from venture funds, increases in the market value of investments, and impairments of other investments due to the underlying performance of the investments.
- (k) Represent the loss on sale of certain assets by the drug development business.
- (l) During the second quarter of 2021, the company refinanced \$1,000.0 million in senior notes due in February and August 2022 and incurred costs related to the make-whole provisions and the acceleration of deferred financing costs.
- (m) During the second quarter of 2021, the UK tax authorities announced increased future tax rates resulting in the revaluation of the UK tax assets and liabilities.
- (n) Income tax impact of adjustments calculated based on the tax rate applicable to each item.