



# Spin-off of the Clinical Development Business Investor Presentation

July 28, 2022



# Cautionary Statement Regarding Forward-Looking Statements

This presentation 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, benefits of the transaction, the expected tax treatment of the transaction and opportunities for future growth.

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; and (xiii) 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 presentation 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.

# Today's Announcement

Labcorp to pursue a tax-free spin-off of its wholly-owned Clinical Development business

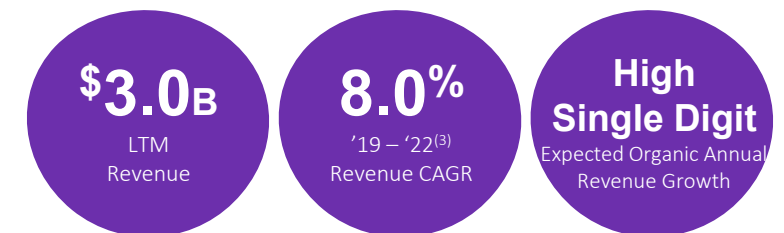
## Labcorp

- A global market leader providing innovative and advanced laboratory-focused services
- Global capabilities spanning routine and esoteric labs, central labs and early development research labs
- Leader with deep scientific expertise, vast health data and insights and an advanced global laboratory network



## Clinical Development

- A leading global Contract Research Organization (CRO) providing Phase I-IV clinical trial management, market access and technology solutions
- Global capabilities and expertise in oncology, cell & gene therapy, rare disease and other therapeutic areas
- Retains access to Labcorp's vast health and clinical data set, through an arrangement, to provide a differentiated value proposition



1. Excludes COVID-19 Testing revenues. Revenue for the last four quarters ended June 30, 2022 totaled \$12.7B, including COVID-19 Testing revenues.  
2. Represents compound annual growth rate from second quarter 2019 to second quarter 2022, excluding COVID-19 Testing revenues.  
3. Represents compound annual growth rate from second quarter 2019 to second quarter 2022.

# Strategic Rationale for Separation



Strengthened strategic flexibility and operational focus to pursue specific market opportunities and better meet customer needs



Ability to implement focused capital structures and capital allocation strategies to drive innovation and growth



A more targeted investment opportunity for different investor bases



# Labcorp

## Strong Growth Platform With a Compelling Value Proposition



Invest in R&D and innovation to develop and launch diagnostic advancements globally in key areas such as oncology, Alzheimer's, autoimmune and other diseases



Bring together its vast global health and patient data to support customers, advance healthcare and enable innovation



Utilize its worldwide laboratory network to serve a broad, growing and global customer base



Provide patients, physicians, health systems and pharmaceutical companies with access to Labcorp's advanced science, technology and innovative diagnostic capabilities globally

Routine and  
Esoteric Labs

Central  
Labs

Early Development  
Research Labs

**\$150B+**

Global Addressable Market

**650M+**

Tests Performed Annually

**82%**

Drugs submitted to the  
FDA where Labcorp  
performed testing<sup>(1)</sup>

**100+**

Countries with patients  
supported by Labcorp's  
testing services

**5k+**

Comprehensive and innovative tests

1. Refers to FDA submissions in 2021.

# Clinical Development

## Leading Global CRO Presents a Focused Investment Opportunity



Focused on growth opportunities across Phase I-IV clinical trials and leadership in key therapeutic areas



Increased agility with large pharmaceutical and biotechnology clients



Access to Labcorp's vast health and clinical data, through an arrangement with Labcorp, to accelerate and differentiate in the marketplace



A capital structure tailored for growth that enables continued investment in capabilities, technologies, diverse talent and innovation

**Phase I-IV Clinical Trial  
Management**

**Market Access  
Services**

**Advanced Technology  
Solutions**

**\$25B+**

Global Addressable Market

**3,900+**

Clinical Studies Performed<sup>(1)</sup>

**20+**

Major Therapeutic Areas  
Supported

**DCT**

Recognized leader in  
Decentralized Clinical Trials  
(DCT)

**100+**

Countries Where Clinical  
Trials are Supported

1. Represents clinical trials conducted from 2017 – 2021.



# Other Transaction Details



Results in two independent, well-capitalized, publicly-traded companies with the strategic flexibility and operational focus to innovate, grow significantly and enhance shareholder value



Intended to qualify as a tax-free transaction for U.S. federal tax purposes to Labcorp and its shareholders



Expected to close in the second half of 2023, subject to the satisfaction of customary legal and regulatory requirements and approvals



Consistent with applicable legal and tax requirements, Labcorp expects that there will be ongoing transitional and commercial arrangements to provide for a seamless delivery of services to the customers and other stakeholders of Labcorp and the Clinical Development business



Labcorp remains committed to its capital allocation strategy and maintaining its investment grade credit rating





labcorp

