

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

January 9, 2018  
(Date of earliest event reported)

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or other jurisdiction of Incorporation)

**1-11353**

(Commission File Number)

**13-3757370**

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

**358 South Main Street,  
Burlington, North Carolina**

(Address of principal executive offices)

**27215**

(Zip Code)

**336-229-1127**

(Registrant's telephone number including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

Summary information of the Company dated January 9, 2018.

Exhibit Index [Exhibit 99.1](#)

**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.

LABORATORY CORPORATION OF AMERICA HOLDINGS

Registrant

By:

/s/ F. SAMUEL EBERTS III

\_\_\_\_\_  
F. Samuel Eberts III

Chief Legal Officer and Secretary

January 9, 2018



## J.P. MORGAN HEALTHCARE CONFERENCE

JANUARY 9, 2018 | **SAN FRANCISCO, CA**

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# FORWARD LOOKING STATEMENT

## Cautionary Statement Regarding Forward Looking Statements

This presentation contains forward-looking statements, including statements about the Company's performance against strategic objectives and the impact of various factors on operating and financial results. Each of these forward-looking statements is subject to change based on various risks and uncertainties, including without limitation, competitive actions and other unforeseen changes and uncertainties in the marketplace, changes in government regulations, including healthcare reform, changes in payer regulations or policies, other adverse actions of governmental and third-party payers, failure to maintain or develop customer relationships, changes in testing guidelines or recommendations, adverse results in material litigation matters, the impact of changes in tax laws and regulations, and failures in information technology systems or data security.

# AGENDA



**Company Overview**

**2018 Priorities**

**Long-term Strategic Initiatives**

**Financial Strength**

## WHO WE ARE

LabCorp is  
**a leading global  
life sciences company**  
that is deeply integrated  
in guiding patient care

Our Mission  
is to  
**improve health  
and improve lives**

Our Strategic Objectives are to:  
**Deliver World-Class Diagnostics**  
**Bring Innovative Medicines to Patients Faster**  
**Use Technology to Improve the Delivery of Care**



# LABCORP OVERVIEW

## A Leading Global Life Sciences Company

- Provides diagnostic, drug development and technology-enabled products and solutions for ~120 million patient encounters per year
- Operates in two segments – Diagnostics and Drug Development
- >57,000 mission-driven employees worldwide
- Proprietary data sets with >30 billion lab test results and >175,000 unique investigators
- Leading scientific and therapeutic expertise, including >1,800 employed MDs and PhDs

Consolidated Financial Summary <sup>(1)</sup>			
	Year Ended		Implied Growth
	2017E <sup>(2)</sup>	2016	
Revenue	\$10,216	\$9,437	8.3%
Adj. EPS	\$9.50	\$8.83	7.6%
Free Cash Flow	\$990	\$897	10.4%

1. Adjusted operating income, margin and earnings per share exclude amortization, restructuring charges and other special items; dollars in millions, except per share data.

2. Based on the midpoint of guidance issued on October 25, 2017.

# LABCORP DIAGNOSTICS SEGMENT OVERVIEW

## Leading National Clinical Laboratory

- ~\$7.2B revenue in 2017<sup>(1)</sup>
- Offers broad range of clinical, anatomic pathology, genetic and genomic tests
- Processes >2.5 million patient specimens per week
- Vast patient database – roughly 50% of U.S. population
- Significant patient access points, with ~1,900 patient service centers, >5,000 in-office phlebotomists, and growing retail presence
- Direct provider connectivity, including >65,000 EMR interfaces to deliver results
- Serves hundreds of thousands of customers, including physicians, managed care organizations, hospitals and health systems, patients and consumers



LabCorp Diagnostics Pickup Locations



5 1. Based on the midpoint of guidance issued on October 25, 2017.



# COVANCE DRUG DEVELOPMENT OVERVIEW

## Leading CRO / Drug Development Services Provider

- ~\$3.0B revenue in 2017<sup>(1)</sup>
- Market leader in early development, central laboratory, and Phase I-IV clinical trial management services
- Xcellerate<sup>®</sup> includes one of the world's most comprehensive investigator performance databases
- Collaborated on 86% of the 22 novel drugs approved by FDA in 2016, including all 4 approved oncology drugs, and 8 of 9 drugs treating rare and orphan diseases
- Involved in the development of all of the top 50 best-selling drugs on the market<sup>(2)</sup>
- Acquired Chiltern in 2017, a leading global CRO to expand scale in Asia-Pacific, expand FSP offering and strengthen emerging-to-mid biopharma capabilities

Over 20,000 CRO Employees Worldwide



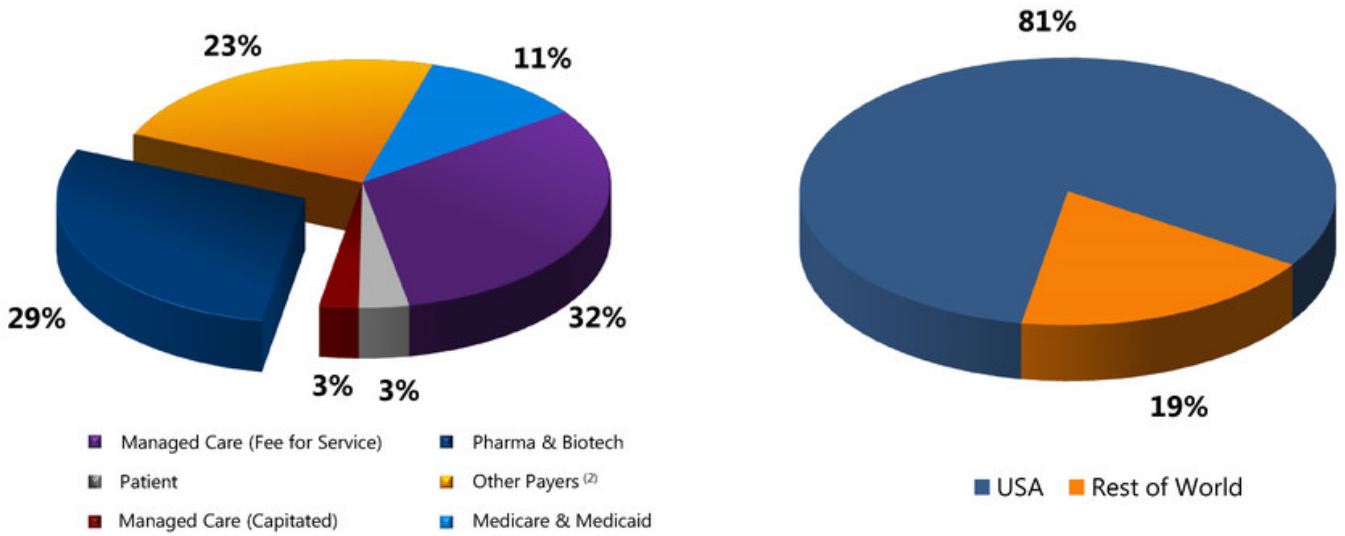
Region	Approximate Number of Unique Sites
Africa	1,500+
Asia-Pacific	24,000+
Central/Eastern Europe	12,000+
Latin America	9,500+
Middle East	350+
North America	28,000+
Western Europe	21,000+

1. Based on the midpoint of guidance issued on October 25, 2017, which includes results from Chiltern as of September 1, 2017.

2. Ranking based on 2016 net sales.

## EXPANDED REVENUE BASE

### Attractive Customer Mix and Geographic Presence<sup>(1)</sup>



1. Based on nine months ended September 30, 2017, which includes results from Chiltern as of September 1, 2017. Does not tie due to rounding.
2. Includes physicians and hospitals, occupational testing services, non-U.S. clinical diagnostic laboratory operations, nutritional chemistry and food safety operations, and Beacon LBS.



# AGENDA



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## OUR 2018 PRIORITIES

**Drive Profitable  
Growth**

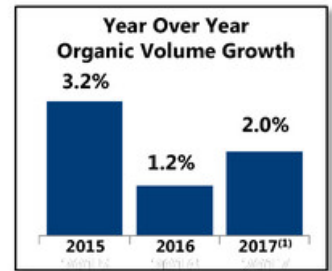
**Integrate Key  
Acquisitions**

**Optimize  
Enterprise  
Margins**

# DRIVING PROFITABLE GROWTH

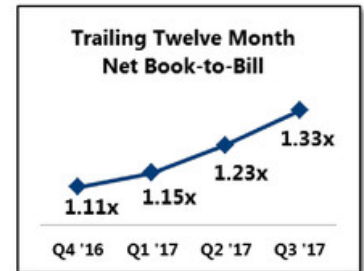
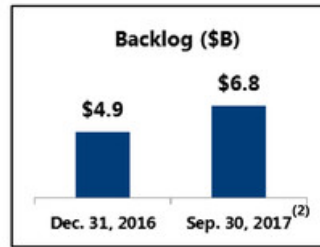
## Diagnostics: Capitalize on Growth Opportunities

- Health systems, large physician groups and managed care partnerships
- Expand 23andMe collaboration
- Mitigate pricing impact of PAMA
- Women's health, genetics and medical drug monitoring portfolio and capabilities
- Pursue accretive acquisitions
- Continue focus on quality, service and innovation



## Drug Development: Build on Existing Momentum to Exceed Historical Growth Rates

- Convert backlog into profitable revenue growth
- Maintain broad-based strength in net orders
- Capitalize on strategic investments in leadership, sales force and technology



10 1. Based on nine months ended September 30.  
2. Includes \$1.0 billion from acquisition of Chiltern.

# INTEGRATING KEY ACQUISITIONS

## Maximize Value Through Flawless Integration

- Generates approximately \$500 million in profitable revenue growth in 2018
- Successful “Best of the Best” approach to selecting and retaining talent
- Dedicated and experienced integration teams, focused on customer retention and synergies



Mount Sinai  
Clinical Outreach  
Lab Assets



# OPTIMIZING ENTERPRISE MARGINS

## Continue Value Creation Through the LaunchPad Business Process Improvement Initiative

### Covance LaunchPad

- Applying LaunchPad principles to Drug Development
- Rightsizing implemented in mid-2017; \$25 million in incremental savings in 2018
- Multi-year initiative, details to be provided on Q4 earnings call
- Aided by Chiltern capabilities and expertise

### Diagnostics LaunchPad

- Ongoing benefit from reengineering projects
- Additional opportunities, including streamlining delivery of services

### Opportunities for Productivity Gains

#### Automation



#### Global Service Delivery Model



#### Procurement



#### New Tools and Technology



 **LabCorp**

# AGENDA



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## HEALTHCARE IS UNDERGOING A PERIOD OF UNPRECEDENTED CHANGE

### Transition to Value-Based Care

- Improving efficiency in care delivery
- Reducing the overall cost of patient care
- Utilizing advanced tools and analytics to deliver better outcomes via personalized medicine and population health

### Enhance Drug Development Process

- Dealing with increased trial complexity, and competition for patients and investigators
- Greater need for scalable tools and processes to initiate and manage trials
- Increased sponsor demand for data-driven study design and execution, as well as access to relevant analytes, biomarkers and tests

### Role of the Consumer

- Increased interest in and influence over healthcare decision-making
- Technology advances driving expectation of convenience
- Consumer satisfaction increasingly important to other healthcare stakeholders

# EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

## Value-Based Care Solutions



### Leading Laboratory Services

- National access
- Comprehensive test menu
- Extensive sales and service organization
- Scientific innovation
- Cost advantages through economies of scale



### Clinical Decision Support

- Programs for key disease states
- Lab reports incorporate care guidelines
- Developed by physicians
- Data monitoring drives optimal care management



### Payer and Provider Collaboration

- Help stakeholders achieve total cost of care metrics in value-based care contracts
- Actionable lab results
- Global patient results data
- MACRA, HEDIS, and ACO quality metrics
- Care Intelligence® population health



### Drug Development Solutions

- Companion diagnostics leadership
- Potential provider revenue stream from increased participation in clinical trials
- Cost savings to patients and payers
- "Real World" data



# EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

## Streamlining Clinical Studies

- Xcellerate® suite of informatics
- Companion diagnostics leadership
- Differentiated and growing patient and investigator database
- Insight through patient engagement
- Dedicated biotech offering through combination of Covance and Chiltern
- Extended Lab Management Services
- Early Phase Development Solutions



## EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

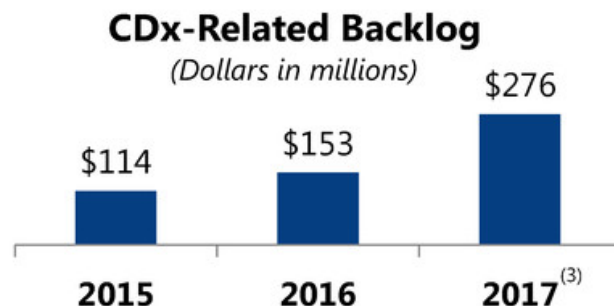
### Increasing Our Leadership in Companion and Complementary Diagnostics (CDx)

- Dedicated CDx organization with capabilities across development, validation, testing, regulatory support, commercialization and market access
- Opened purpose built, state of the art CDx laboratory, with focus on genomics and molecular pathology
- Supported ~70% of CDx on the market<sup>(1)</sup>
- Customizable offering -- *in vitro* diagnostic (IVD) partnerships and single site pathway
- Collaborated with over 35 clients on more than 150 CDx projects in 2017<sup>(2)</sup>

1. As of January 1, 2018.

2. Based on results through November 2017.

3. As of September 30, 2017.



On pace to  
**significantly exceed \$100 million**  
in cumulative new CDx-related revenue from  
the acquisition of Covance through 2018



## EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

### LabCorp Data is a Key Competitive Advantage for Patient Recruitment, Site Selection and Protocol Design

#### LabCorp Diagnostics Patient Data

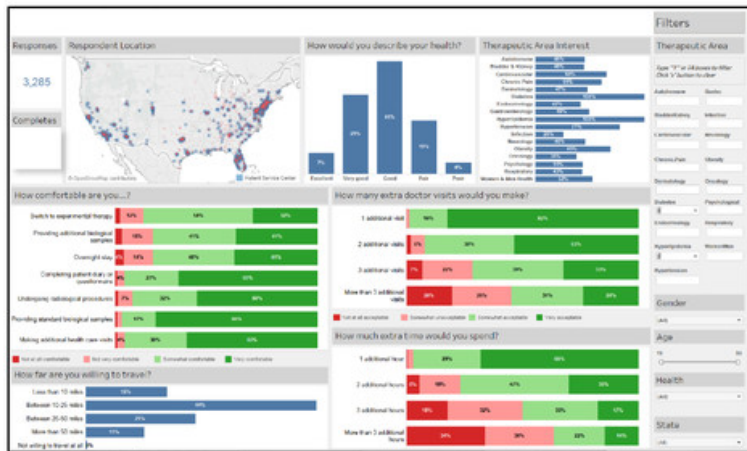
- Our patient data is identifiable
- Represents the "real world"
- Billions of data points
- Lab values essential for inclusion/exclusion criteria

#### Covance Drug Development Investigator Data

- Our investigator data is global
- Filter at therapeutic and protocol level
- 175,000+ investigators across  
~100,000 sites
- Insight into site location,  
performance and study saturation

# EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

## Incorporating Patient Intelligence into Clinical Research and Drug Development



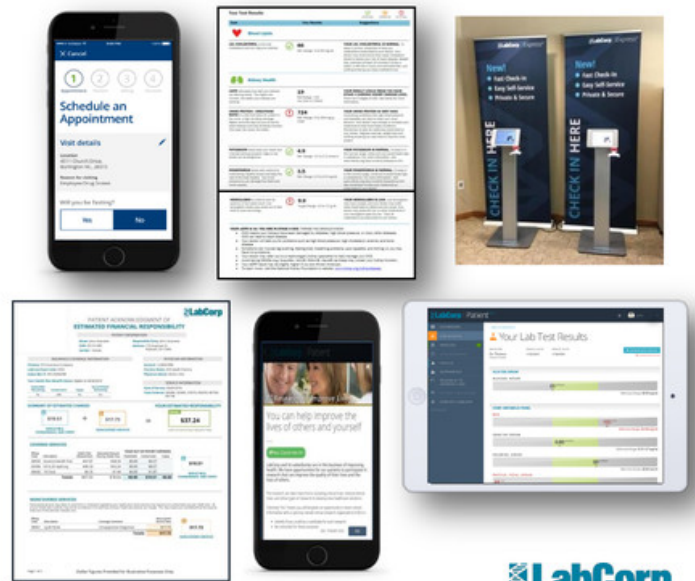
- Powered by survey responses from patients that want to be contacted about clinical trials
- Supported by LabCorp patient flow and increased emphasis on scaling opt-in database



# EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

## Developing a Broad Consumer Platform to Create Deep Relationships

- **Organizing around the empowered consumer**
- **Creating a convenient, seamless experience**
- **Providing easy access to lab test results and personalized content**
- **Offering price transparency to highlight access to highest quality, low-cost diagnostics**



 LabCorp

## EXPANDING LABCORP'S ROLE IN THE HEALTHCARE SYSTEM OF THE FUTURE

### Bringing our High-Quality Offering to Consumers



- Patient Service Centers opened inside Walgreens stores
- Strong patient volume, net promoter scores, and patient feedback
- Start to roll out to new markets in 2018

- Launch new at-home, self-collection offering built on LabCorp's 10 years of experience with dried blood spot testing

- Invest in expanded capacity and enhanced automation to support 23andMe strategic collaboration

- Collaborate on new delivery models, such as telehealth and on-demand phlebotomy





# OUR DIFFERENTIATED SOLUTIONS ARE RESONATING WITH CUSTOMERS

## Value-Based Care Solutions

	Reference Laboratory Testing	Outreach Laboratory Testing	Inpatient Laboratory Management
PAML and its Joint Venture Interests	✓	✓	
Mount Sinai Health System	✓	✓	
Novant Health	✓	✓	✓

Completed  
3 **marquee transactions**  
in 2017

## Streamlining Clinical Studies

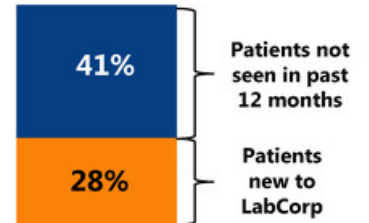
Cumulative new orders won through the combination of LabCorp patient data and Covance capabilities:

2016	2017
>\$200 million	~\$500 million

On track to deliver  
\$150 million  
in cumulative new revenue  
from the acquisition of Covance  
through 2018

## Consumer Platform

Patients Seen in Denver  
*LabCorp at Walgreens*



LabCorp PSCs in  
Walgreens stores are  
**attracting new patients**

# AGENDA



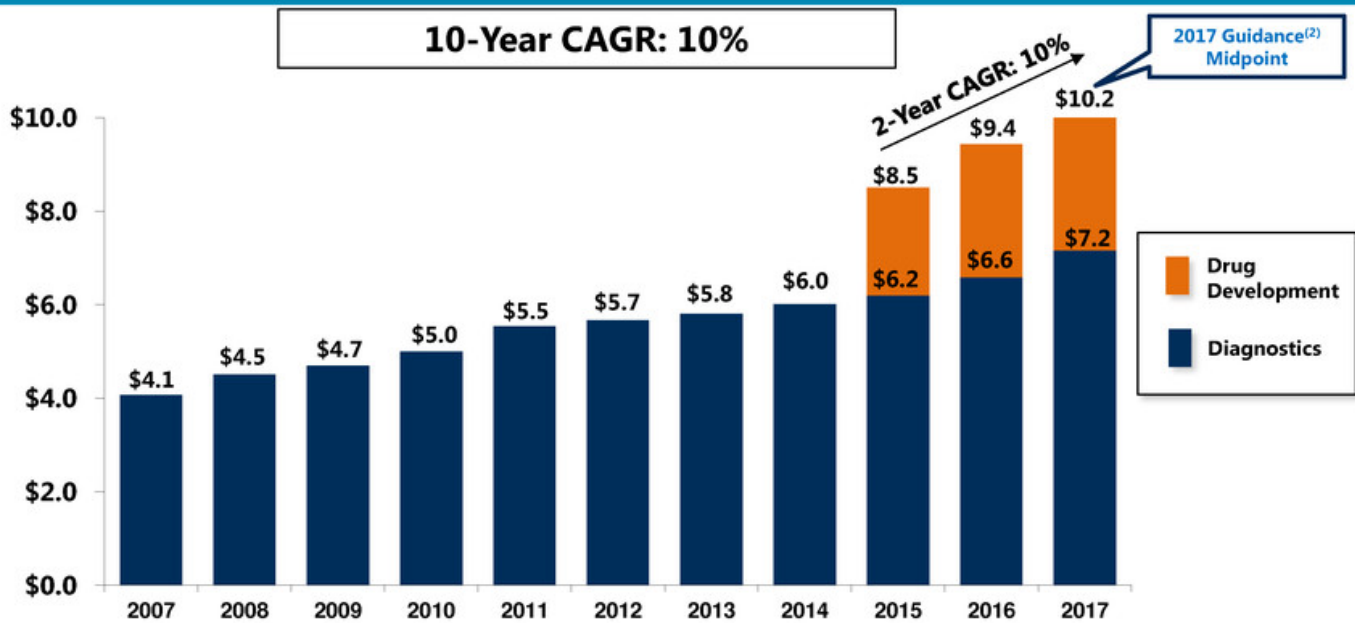
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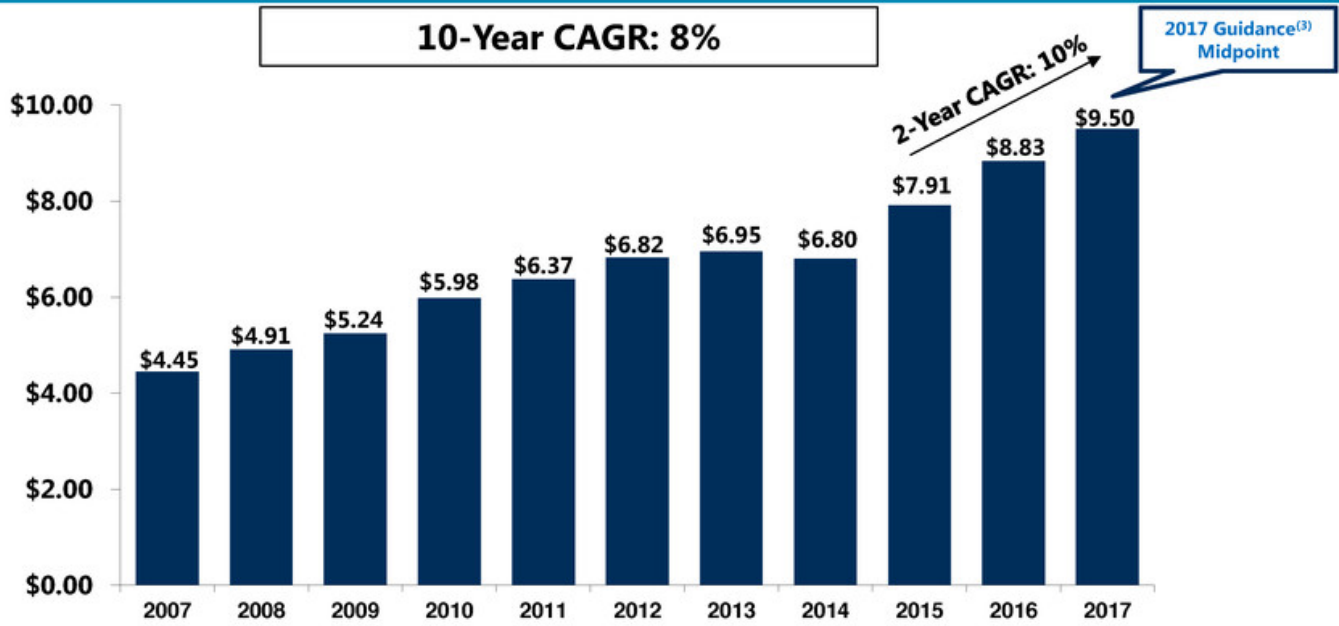
# REVENUE<sup>(1)</sup> GROWTH (DOLLARS IN BILLIONS)



(1) 2007-2014 revenues excludes Covance results. 2008 revenue includes a \$7.5 million adjustment relating to certain historic overpayments made by Medicare for claims submitted by a subsidiary of the Company.

(2) Guidance issued on October 25, 2017.

# ADJUSTED EPS<sup>(1)(2)</sup> GROWTH



(1) EPS, as presented, represents adjusted, non-GAAP financial measures (excludes amortization, restructuring and other special charges). Diluted EPS, as reported in the Company's Annual Report were: \$3.93 in 2007; \$4.16 in 2008; \$4.98 in 2009; \$5.29 in 2010; \$5.11 in 2011; \$5.99 in 2012; \$6.25 in 2013; \$5.91 in 2014; \$4.35 in 2015; and \$7.02 in 2016.

(2) 2007-2014 figures exclude Covance results, and other items discussed in the Appendix.

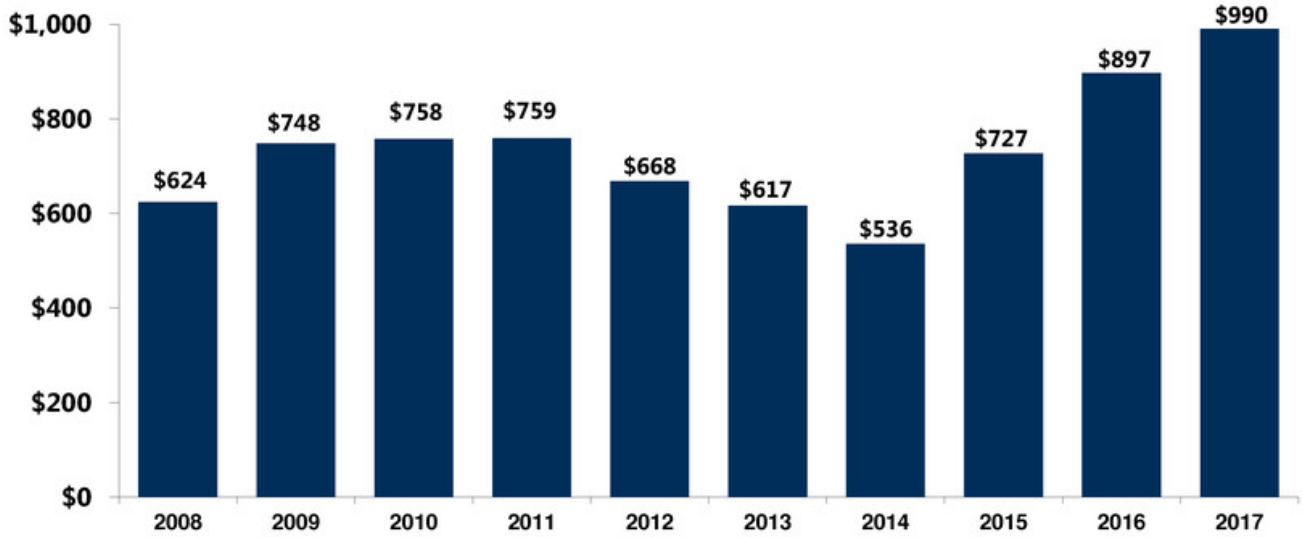
(3) Guidance issued on October 25, 2017.



## STRONG FREE CASH FLOW<sup>(1)</sup> (DOLLARS IN MILLIONS)

10 Year Average Free Cash Flow: \$732 million

2017 Guidance<sup>(2)</sup>  
Midpoint

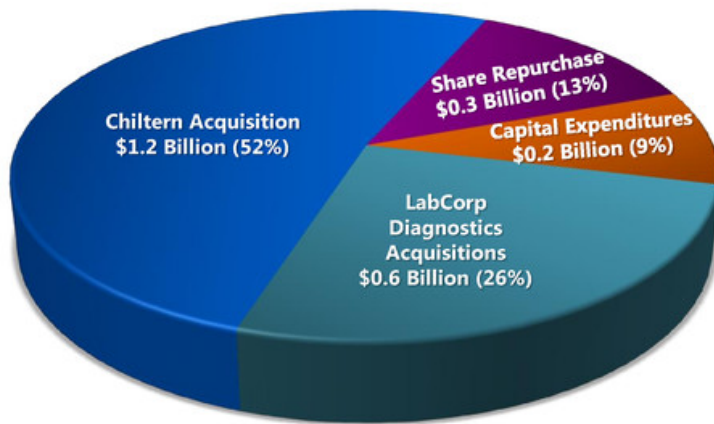


- (1) Free Cash Flow represents Operating Cash Flow less Capital Expenditures in each of the years presented. 2008-2014 figures exclude Covance results, and other items discussed in the Appendix.
- (2) Guidance issued on October 25, 2017.



## TRACK RECORD OF EFFECTIVE AND BALANCED CAPITAL DEPLOYMENT TO BUILD SHAREHOLDER VALUE

### Approximately \$2.3 Billion in Capital Deployment in 2017<sup>(1)</sup>



### 2018 Free Cash Flow

#### M&A Priorities

- Diagnostics “tuck-in” transactions

#### Return of Capital to Shareholders

- Continue share repurchases

#### Debt Reduction

- Pay down debt to reduce leverage

## KEY TAKEAWAYS

**Global leader in life sciences with leading diagnostics and drug development businesses strategically positioned to improve health and lives**

**Relentless focus on execution in 2018**

**Driving long-term growth through innovation in value-based care, the drug development process, and our consumer platform**



**J.P. MORGAN  
HEALTHCARE CONFERENCE**

JANUARY 9, 2018 | **SAN FRANCISCO, CA**

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# Appendix

## FOOTNOTES TO "ADJUSTED EPS GROWTH" SLIDE

1) EPS, as presented, represents adjusted, non-GAAP financial measures (excludes amortization, restructuring and other special charges). Diluted EPS, as reported in the Company's Annual Report were: \$3.24 in 2006; \$3.93 in 2007; \$4.16 in 2008; \$4.98 in 2009; \$5.29 in 2010; \$5.11 in 2011; \$5.99 in 2012; \$6.25 in 2013; \$5.91 in 2014; \$4.34 in 2015; and \$7.02 in 2016.

2) 2006-2014 figures exclude Covance results. Excluding the \$0.06 per diluted share impact of restructuring and other special charges and the \$0.23 per diluted share impact from amortization in 2006; excluding the \$0.25 per diluted share impact of restructuring and other special charges and the \$0.27 per diluted share impact from amortization in 2007; excluding the \$0.44 per diluted share impact of restructuring and other special charges and the \$0.31 per diluted share impact from amortization in 2008; excluding the (\$0.09) per diluted share impact of restructuring and other special charges and the \$0.35 per diluted share impact from amortization in 2009; excluding the \$0.26 per diluted share impact of restructuring and other special charges and the \$0.43 per diluted share impact from amortization in 2010; excluding the \$0.72 per diluted share impact of restructuring and other special charges, the \$0.03 per diluted share impact from a loss on the divestiture of assets and the \$0.51 per diluted share impact from amortization in 2011; excluding the \$0.29 per diluted share impact of restructuring and other special charges and the \$0.54 per diluted share impact from amortization in 2012; excluding the \$0.15 per diluted share impact of restructuring and other special charges and the \$0.55 per diluted share impact from amortization in 2013; excluding the \$0.34 per diluted share impact of restructuring and other special charges and the \$0.55 per diluted share impact from amortization in 2014; excluding the \$2.44 per diluted share impact of restructuring and other special charges and the \$1.13 per diluted share impact from amortization in 2015; and excluding the \$0.64 per diluted share impact of restructuring and other special charges and the \$1.17 per diluted share impact from amortization in 2016.

3) Guidance issued on October 25, 2017.

## FOOTNOTES TO "STRONG FREE CASH FLOW" SLIDE<sup>(1)</sup>

### LABORATORY CORPORATION OF AMERICA HOLDINGS Reconciliation of Non-GAAP Financial Measures (in millions)

<b>Free Cash Flow:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Operating Cash Flow	\$ 710	\$ 781	\$ 862	\$ 884	\$ 905 <sup>(2)</sup>	\$ 841	\$ 819	\$ 739	\$ 982	\$ 1,176
Less: Capital Expenditures	(143)	(157)	(115)	(126)	(146)	(174)	(202)	(204)	(256)	(279)
Free Cash Flow	\$ 567	\$ 624	\$ 748	\$ 758	\$ 759 <sup>(2)</sup>	\$ 668	\$ 617	\$ 536	\$ 727	\$ 897

(1) 2007-2014 figures exclude Covance results.

(2) Operating Cash Flow and Free Cash Flow in 2011 exclude the \$49.5 million Hunter Labs settlement.

