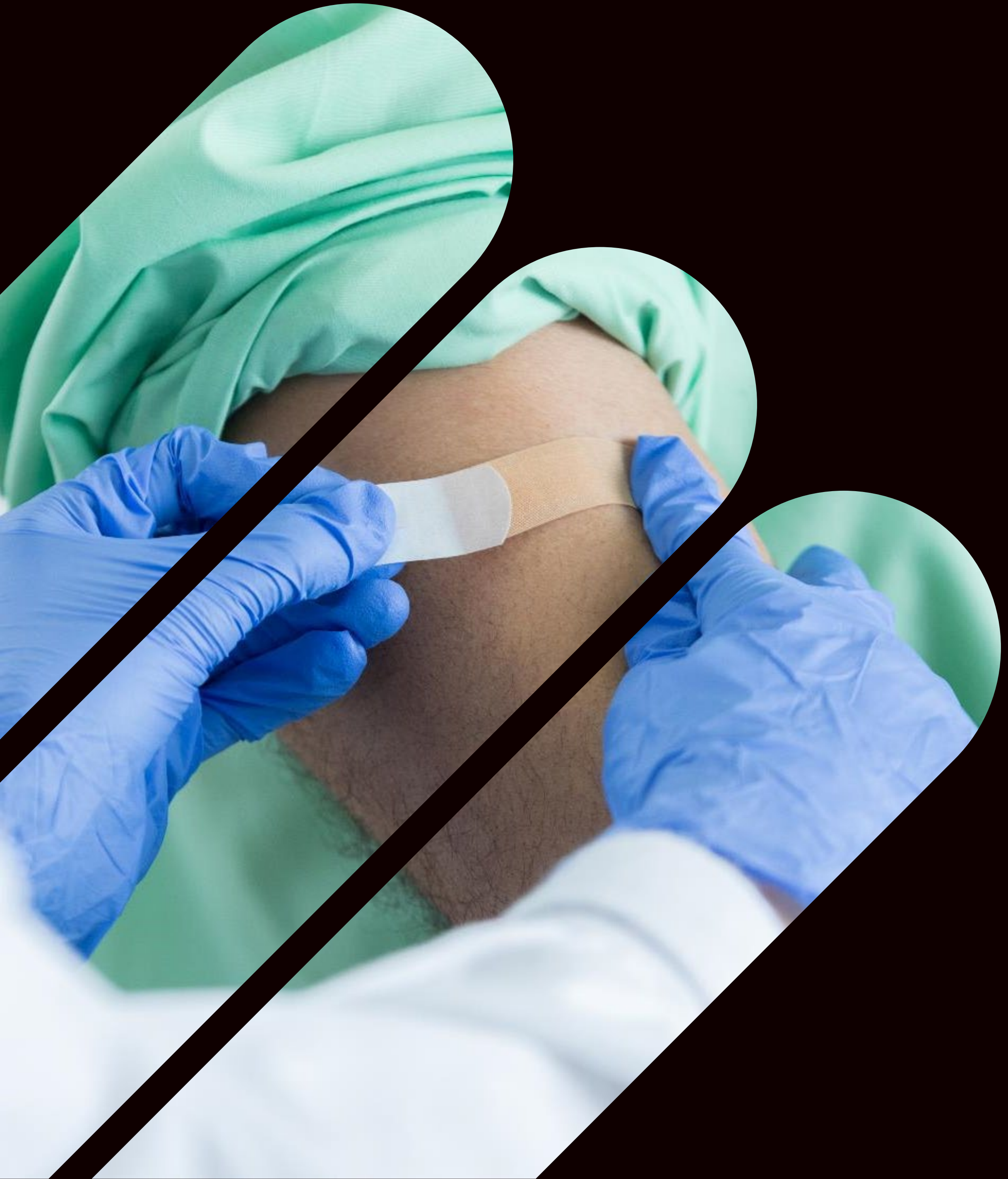

Investor Day - Reconciliations

06.06.2023

Fortrea Investor Day presentation 06.06.2023

Fortrea

Cautionary Statement

Forward-Looking Statements Disclosure. *Certain information in this presentation contains "forward-looking" statements. You should not place undue reliance on these statements. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategies. These statements often include words such as "believe", "expect", "anticipate", "intend", "plan", "estimate", "seek", "will", "may" or the negative thereof or variations thereon or similar expressions that are predictions of or indicate future events or trends. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. As you read and consider this presentation, you should understand that these statements are not guarantees of performance or results and that actual future results may vary materially. They involve risks, uncertainties and assumptions. Many factors could affect our actual financial results and could cause actual results to differ materially from those expressed in the forward-looking statements, including if we do not realize some or all of the benefits expected to result from the spinoff, or if such benefits are delayed; our ongoing businesses may be adversely affected and subject to certain risks and consequences as a result of pursuing the spinoff; our ability to successfully complete the spinoff on a tax-free basis, within the expected time frame or at all; the ability of Laboratory Corporation of America Holdings ("Labcorp") to change the terms of the spinoff and the relation transactions and agreements, prior to completion of the spinoff, in ways that may be unfavorable to us; our accounting, enterprise resource planning, and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which we will be subject following the spinoff; after the distribution, certain members of management, directors, and stockholders will hold stock in both Labcorp and us, and as a result may face actual, perceived, or potential conflicts of interest; certain contracts that will need to be assigned from Labcorp or its affiliates to us in connection with the separation require the consent of the counterparty to such an assignment, and failure to obtain these consents could increase our expenses or otherwise reduce our profitability; the impact of the rebranding of our business; our ability to successfully implement our business strategies and execute our long-term value creation strategy; risks and expenses associated with our international operations and currency fluctuations; our customer or therapeutic area concentrations; our ability to generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract; customers may have insufficient funding to complete a clinical trial and pay our outstanding accounts receivable and unbilled services causing increased days sales outstanding or invoice write-offs; our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog; our ability to attract suitable principal investigators and recruit and enroll patients for clinical trials; our ability to attract and retain experienced and qualified personnel, including key management personnel; our dependence on third parties to provide services critical to our business and comply with applicable laws and regulations; our ability to effectively manage our growth strategy; our relationships with existing or potential customers who are in competition with each other; our access to data; our ability to comply with the evolving government and industry regulation and practices; our ability to comply with national, state, local or international environmental, health and safety laws and regulations; failure to comply with privacy and security, anti-corruption and trade sanction laws and regulations; our ability to comply with federal, state, and foreign healthcare laws; failures in our IT systems or delays or failures in the development and implementation of updates or enhancements to those systems; hardware and software failures, delays in the operation of computer and communications systems, failure to implement new systems or system enhancements to existing systems, and cybersecurity breaches; failure to maintain the security of customer-related information or compliance with security requirements, and unauthorized access to our or our customers' data; failures of our internally developed and licensed technology systems to manage various aspects of clinical trials, including errors in design, programming, or validation; our ability to keep pace with rapid technological changes could make our services less competitive or obsolete; our ability to comply with the contractual requirements of our agreements with customers or third party service providers; liability arising from errors or omissions in the performance of contract research services or other contractual arrangements; the outcome of any legal or regulatory proceedings to which we are, or may become, a party; failure to obtain, maintain, and enforce intellectual property rights for protection of our licensed products and services and defend against challenges to those rights; changes in tax laws and regulations or changes in their interpretation; if we underprice our contracts, overrun our cost estimates, or fail to receive approval for, or experience delays in documentation of change orders; limitations and restrictions in the agreements to be entered into governing our indebtedness; our ability to maintain our anticipated credit rating and to access debt markets; business interruption, receivables impairment, delays in cash collection impacting days sales outstanding, supply chain disruptions, increases in operating costs, or other impacts on the business due to natural disasters, including adverse weather, fires and earthquakes; power shortages and outages; geopolitical events, such as terrorism, war, political instability, political unrest, including the ongoing conflict between Russia and Ukraine, or other conflicts; criminal activities; public health crises, such as COVID-19 and disease epidemics and pandemics; increased costs, and other adverse effects on our operations due to work stoppages, general labor unrest or failure to comply with labor or employment laws; other disruptions or events outside of our control; our increasing focus on environmental, social, governance, and other sustainability matters; and other factors described in the registration statement on Form 10 that we filed with the U.S. Securities and Exchange Commission (the "SEC"), including any updates or amendments thereof, and from time to time in any other documents that we file with the SEC.*

In light of these risks, uncertainties and assumptions, the forward-looking statements contained in this presentation might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures. *This presentation contains discussions of Adjusted EBITDA, Adjusted EBITDA Margin, Standalone Adjusted EBITDA, Pro Forma Net Debt, Pro Forma Total Debt Leverage Ratio and Pro Forma Net Debt Leverage Ratio, which are non-GAAP financial measures. This supplemental information should not be considered in isolation or as a substitute for the GAAP measurements. Because not all companies use identical calculations, our presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. Additional information regarding (i) Adjusted EBITDA, Adjusted EBITDA margin and Standalone Adjusted EBITDA is included in the section of this presentation entitled "Appendix" and (ii) Pro Forma Net Debt, Pro Forma Total Debt Leverage Ratio and Pro Forma Net Debt Leverage Ratio is included in the section of this presentation entitled "Capital Structure & Capital Allocation."*

Q1'23 & 2022A LTM Adjusted EBITDA

($ in millions)	Trailing Twelve Months Ended March 31, 2023	Year Ended December 31, 2022
Adjusted EBITDA:		
Historical net income	**178**	**193**
Provision for income taxes	43	44
Foreign exchange gain	11	1
Depreciation and amortization	92	93
Goodwill and other asset impairments	10	10
Restructuring and other charges	22	31
Stock based compensation	26	25
A Other	6	9
Adjusted EBITDA	**387**	**405**
B Labcorp corporate cost allocations	67	71
C Standalone costs	(45)	(45)
Standalone Adjusted EBITDA	**410**	**431**

A **Other:** Includes acquisition and disposition-related costs, COVID-19 related costs, Ukraine/Russia conflict costs, retention bonuses and other costs. Refer to Form 10 for additional disclosure.

B **Cost Allocations:** The Labcorp corporate overhead costs that were allocated to Fortrea.

C **Standalone Costs:** The expected, primarily administrative, standalone costs for Fortrea to operate as a stand-alone business.

Capital Structure & Capital Allocation

($ in millions)

Pro Forma Capitalization as of March 31, 2023

Pro Forma Total Debt	$1,610[1]	
Deferred Financing Costs	30	
Cash and Cash Equivalents	(120)	
Pro Forma Net Debt	**$1,520**	
TTM Adj. EBITDA / TTM Standalone Adj. EBITDA	$387	$410
Pro Forma Total Debt Leverage Ratio	4.2x	4.0x
Pro Forma Net Debt Leverage Ratio	3.9x	3.7x

- Conservative balance sheet with opening leverage in line with peers
- Flexible capital structure to support capital allocation priorities
- Focus on organic / internal investments: selective investments in key therapeutic areas and geographies

[1] *Expect total debt to consist of borrowing under senior secured term loan facilities and senior secured notes, as well as an expected $450mm senior secured revolving credit facility.*

Appendix - Reconciliations

Adjusted EBITDA Reconciliation (Non-GAAP)

($ in millions)	TTM Ended March 31,	Three Months Ended March 31,		Years Ended December 31,		
	2023	2023	2022	2022	2021	2020
Adjusted EBITDA:						
Net income (loss)	$177.8	$17.4	$32.5	$192.9	$98.0	$(359.2)
Provision for income taxes	42.8	3.7	5.0	44.1	38.4	27.0
Foreign exchange gain (loss)	10.7	5.5	(4.3)	0.9	(20.2)	18.8
Other, net	(2.1)	(0.6)	(0.5)	(2.0)	(1.9)	(0.8)
Depreciation and amortization[1]	91.9	22.8	23.6	92.7	166.3	119.0
Goodwill and other asset impairments[2]	9.8	-	-	9.8	-	405.7
Restructuring and other changes[3]	22.1	1.2	9.6	30.5	20.7	11.0
Stock based compensation	25.9	6.7	6.2	25.4	27.5	23.1
Acquisition and disposition-related costs[4]	3.9	-	-	3.9	3.7	0.2
COVID-19 related costs[5]	-	-	0.1	0.1	5.7	3.5
Ukraine/Russia conflict costs[6]	0.8	-	0.5	1.3	-	-
Retention bonuses[7]	0.2	-	0.1	0.3	10.1	-
Other	3.6	0.4	2.0	5.2	1.5	5.5
Adjusted EBITDA	**$387.4**	**$57.1**	**$74.8**	**$405.1**	**$349.8**	**$253.8**

Note: Reconciliation notes on following page.

Reconciliation Notes

1) 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 impacting amortization for the years ended December 31, 2021 and 2020.
2) During the first quarter of 2020, the Company determined that certain goodwill was impaired. These charges were triggered by the economic conditions resulting from the COVID-19 pandemic.
3) Restructuring and other charges represent amounts incurred in connection with the elimination of redundant positions within the organization in connection with our process improvement initiatives and acquisitions or dispositions of businesses by the Company.
4) Acquisition and disposition-related costs include due-diligence legal and advisory fees, retention bonuses and other integration or disposition related activities.
5) Costs related to incremental operating expenses incurred as a result of the COVID-19 pandemic.
6) Due to the Russia and Ukraine crisis and economic sanctions, the company incurred incremental costs and determined that certain receivables and long-lived assets related to its Russia and Ukraine operations were impaired.
7) Due to the current tight labor markets driven by the impacts of the COVID-19 pandemic demand on healthcare professionals, the Company implemented a targeted retention program for a select group of positions experiencing higher than normal turnover.

Adj. EBITDA to Standalone Adj. EBITDA Reconciliation

($ in millions)	TTM Ended March 31,	Three Months Ended March 31,		Years Ended December 31,		
	2023	2023	2022	2022	2021	2020
Adjusted EBITDA	**$387.4**	**$57.1**	**$74.8**	**$405.1**	**$349.8**	**$253.8**
Cost Allocations[1]	67.4	10.3	14.0	71.1	44.0	48.5
Standalone Costs[2]	(45.0)	(11.3)	(11.3)	(45.0)	(45.0)	(45.0)
Standalone Adjusted EBITDA	**$409.8**	**$56.1**	**$77.5**	**$431.2**	**$348.8**	**$257.3**

[1] The Labcorp corporate overhead costs that were allocated to Fortrea.
[2] The expected, primarily administrative, standalone costs for Fortrea to operate as a stand-alone business.

Fortrea

Operating Income, Net Income and Adjusted EBITDA (Non-GAAP) Margin

($ in millions)	TTM Ended March 31,	Three Months Ended March 31,		Years Ended December 31,		
	2023	2023	2022	2022	2021	2020
Revenue	**$3,081.3**	**$764.2**	**$779.0**	**$3,096.1**	**$3,057.5**	**$2,580.3**
Operating Income	**$229.2**	**$26.0**	**$32.7**	**$235.9**	**$114.3**	**$(314.2)**
Operating Income Margin (%)	***7.4%***	***3.4%***	***4.2%***	***7.6%***	***3.7%***	***NM***
Net Income	**$177.8**	**$17.4**	**$32.5**	**$192.9**	**$98.0**	**$(359.2)**
Net Income Margin (%)	***5.8%***	***2.3%***	***4.2%***	***6.2%***	***3.2%***	***NM***
Adjusted EBITDA	**$387.4**	**$57.1**	**$74.8**	**$405.1**	**$349.8**	**$253.8**
Adj. EBITDA Margin (%)	***12.6%***	***7.5%***	***9.6%***	***13.1%***	***11.4%***	***9.8%***

Segment Operating Income Margin

($ in millions)	TTM Ended March 31,	Three Months Ended March 31,		Years Ended December 31,		
	2023	2023	2022	2022	2021	2020
Clinical						
Segment Revenue	**$2,810.3**	**$692.1**	**$707.2**	**$2,825.4**	**$2,763.5**	**$2,291.2**
Segment Operating Income	**$396.6**	**$58.5**	**$75.3**	**$413.4**	**$339.5**	**$232.3**
Segment *Operating Income Margin (%)*	***14.1%***	***8.5%***	***10.6%***	***14.6%***	***12.3%***	***10.1%***
% of Total Operating Income	***94.7%***	***96.1%***	***94.1%***	***94.4%***	***89.7%***	***81.7%***
Enabling Services						
Segment Revenue	**$271.0**	**$72.1**	**$71.8**	**$270.7**	**$294.0**	**$289.1**
Segment Operating Income	**$22.1**	**$2.4**	**$4.7**	**$24.4**	**$39.0**	**$52.1**
Segment *Operating Income Margin (%)*	***8.2%***	***3.3%***	***6.5%***	***9.0%***	***13.3%***	***18.0%***
% of Total Operating Income	***5.3%***	***3.9%***	***5.9%***	***5.6%***	***10.3%***	***18.3%***

Fortrea