

**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

February 27, 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 February 28, 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

February 27, 2018



Investor and Analyst Day

February 2018



Forward Looking Statement and Use of Adjusted Measures



This presentation contains forward-looking statements including but not limited to statements with respect to estimated 2018 guidance and the related assumptions, the impact of various factors on operating and financial results, expected savings and synergies (including from the LaunchPad initiative and as a result of acquisitions), and the opportunities for future growth.

This presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions and other unforeseen changes and general uncertainties in the marketplace, changes in government regulations, including health care 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, 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, failures in information technology systems or data security, challenges in implementing business process changes, employee relations, and the effect of exchange rate fluctuations on international operations.

Actual results could differ materially from those suggested by these forward-looking statements. The Company has no obligation to provide any updates to these forward-looking statements even if its expectations change. Further information on potential factors, risks and uncertainties that could affect the operating and financial results of Laboratory Corporation of America Holdings (the "Company") is included in the Company's Form 10-K for the year ended December 31, 2016, and subsequent Forms 10-Q, including in each case under the heading risk factors, and in the Company's other filings with the SEC.

This presentation contains "adjusted" financial information that has not been prepared in accordance with GAAP, including Adjusted EPS, and 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 are included in this presentation.



**Enterprise
Strategic Overview**

Dave King

Chairman and Chief Executive Officer





1

Creates powerful life sciences enterprise with a market opportunity of over \$200 billion

2

Expands growth opportunities for Diagnostics and Drug Development businesses

3

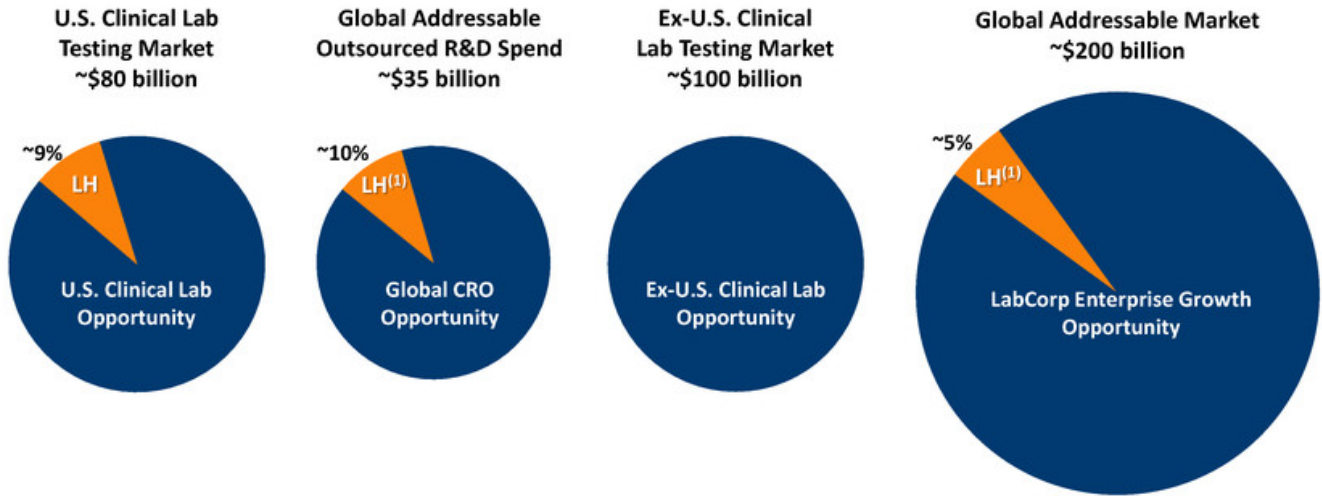
Capitalizes on strengths to create a differentiated offering



Opens Attractive Growth Opportunities Across Multiple Global Markets



Leadership in Large, Growing, Fragmented Markets



Source: Industry reports and company estimates
1. Includes 12-month estimate of Chiltern revenue on a proforma basis

Creates a Differentiated Offering to Better Serve All Healthcare Stakeholders



LabCorp Diagnostics

- Patient database reaching ~50% of U.S. population
- Proprietary data sets with >30 billion lab test results across a growing menu of nearly 5,000 assays
- Broad physician, health system and managed care relationships
- Consumer engagement through ~1,900 PSC/retail locations, 5,000+ in-office phlebotomists
- Proprietary decision-support and reporting tools



- Global footprint with business in 127 countries; 60,000 employees
- Unmatched real-world data and patient intelligence
- Deep scientific and therapeutic experience
- Leader in Companion Diagnostics (CDx)
- Innovative technology-enabled solutions for customers

Covance Drug Development

- Serving the top 20 biopharma
- Serving high-growth emerging and mid-market segments through Chiltern
- Working on ~50% of clinical trials
- >175,000 unique investigators
- Involved in all top 50 best-selling drugs on the market
- Supported 70% of all CDx on the market today
- Robust technology suite for trial planning and execution

**Drive Profitable
Growth**

**Integrate Key
Acquisitions**

**Optimize Enterprise
Margins**

Strategic Initiatives to Capitalize on Long-term Market Opportunities



Transition to Value-Based Care

- Improve efficiency in care delivery
- Reduce the overall cost of patient care
- Utilize advanced tools and analytics to deliver better outcomes via personalized medicine and population health

Enhance the Drug Development Process

- Address 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

Embrace the 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

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

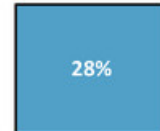
Cumulative new orders won through the combination of LabCorp patient data and Covance capabilities:

<u>2016</u> >\$200 million	<u>2017</u> ~\$500 million
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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



Patients new to LabCorp

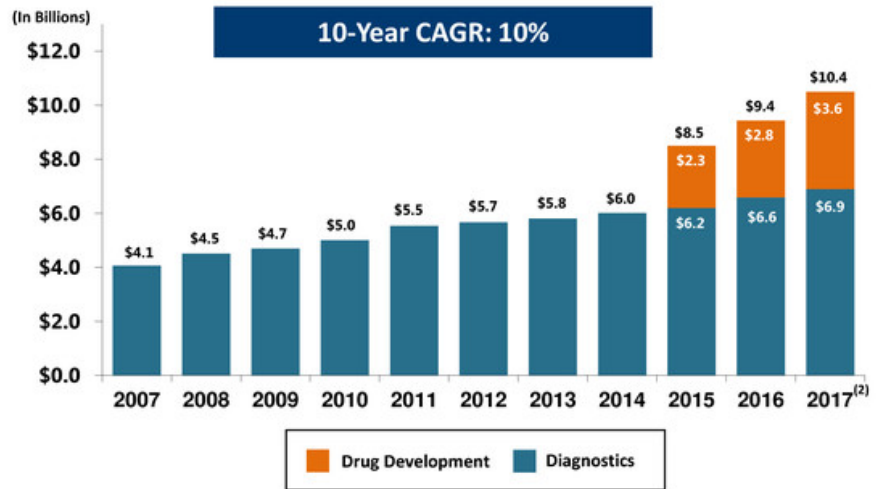
LabCorp PSCs in Walgreens stores are **attracting new patients**

Record 2017 Results

- Record revenue of \$10.2B
- Record EPS of \$9.60
- Record free cash flow of \$1.1B
- 24% increase in share price

2018 FORTUNE World's Most Admired Companies
2017 FORBES World's Most Innovative Companies

Revenue⁽¹⁾



(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) Includes the estimated impact from adoption of the new revenue recognition accounting standard (ASC 606). See Appendix for details of the preliminary reconciliation of 2017 results



**Stable and
Global Business**



**Financial Strength
and Flexibility**



**Multiple Avenues
for Future Growth**



Innovation



Quality and Service



Covance Drug Development Strategic Overview

John Ratliff

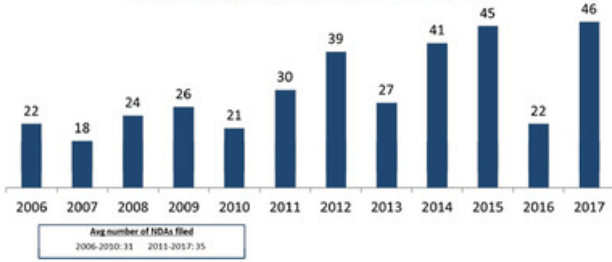
*Chief Executive Officer,
Covance Drug Development*

Jonathan Koch

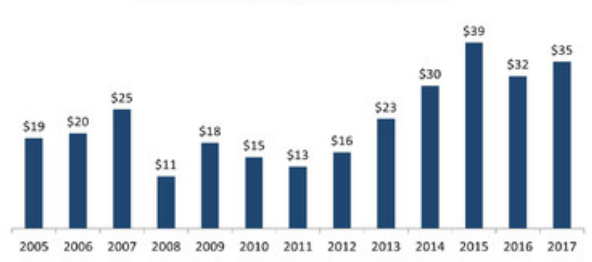
*Group President of Clinical Development
and Commercialization Services,
Covance Drug Development*



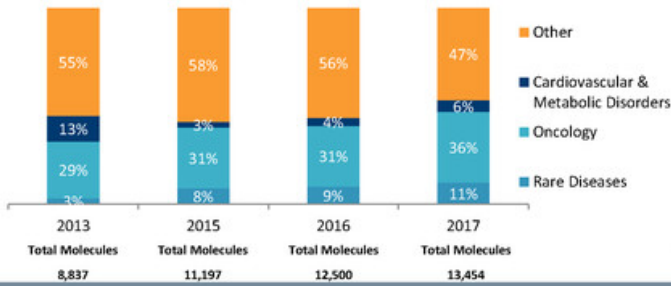
Improving regulatory environment



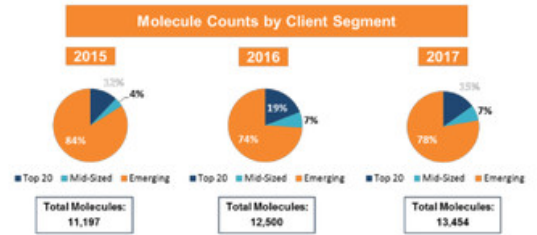
Venture funding remains solid

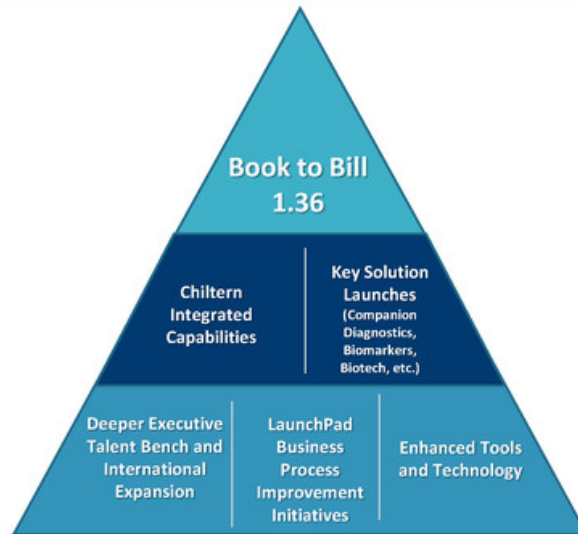


Strong therapeutic growth, especially in oncology



Significant innovation in emerging biotech segment





Talented Team, Enhanced Capabilities, Process Efficiency

Covance Growth Strategy

Leveraging LabCorp/Covance Combined Strength, Utilizing Market Leading Assets, Demonstrating Clinical Leadership, Maximizing Tools and Technology



IMPROVE HEALTH, IMPROVE LIVES



GROWTH STRATEGY

EMPLOYEES
PATIENTS
INVESTORS
CUSTOMERS

EXTRAORDINARY
POTENTIAL

EXCEPTIONAL
PEOPLE

ENERGIZING
PURPOSE

- ▶ Broaden Scientific Leadership
- ▶ Increase Patient-Centered Solutions
- ▶ Expand Core Services
- ▶ Portfolio Management and Monitoring



- ▶ Create Best-in-Class Patient Recruitment and Site Management Through Data
- ▶ Expand Global Delivery
- ▶ Launch Biotech Differentiated Offering
- ▶ Enter Adjacent Markets

- ▶ Lead Virtualization of Clinical Trials
- ▶ Apply Patient-Centric Technologies
- ▶ Embrace Alliances with New Partners
- ▶ Evolve Informatics and Analytics

Leveraging LabCorp-Covance Combined Strength

Unique Offerings and Differentiated Value



**Patient-Centered
Solutions
and Data Insights**

**Scientific
Collaboration**
(e.g., Companion Diagnostics,
Real World Evidence)

**LaunchPad
Business Process
Improvement
Initiatives**

Leveraging LabCorp-Covance Combined Strength

Unique Patient-Centered Solutions and Data Insights



Empowered Patients
"Choosing to participate"



Empowered patients are searching for treatment alternatives and **choosing to participate in clinical studies**

Real World Lab Data
Largest in the world



Granular, structured, real world lab data is collected and readily available for Covance's use

The Right Patient
LabCorp Data, Investigators



Real world data is used to **find the right patients for a clinical study**
Matching patients' physicians who have a pre-existing relationship with LabCorp **enables more meaningful conversations**
Known Covance investigators are identified around clusters of matching patients

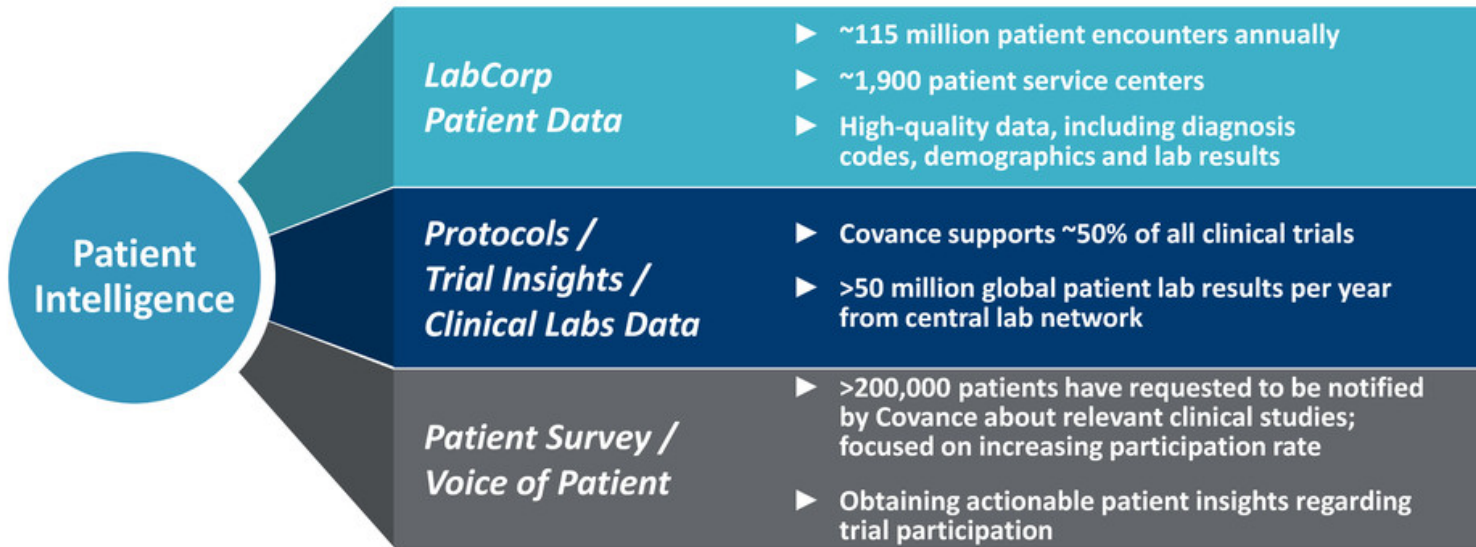
Matched Patients
Who and where they are...



The data identifies **where the patients are, who they are, and who their physicians are**
Covance can **reach out to patients directly**, as well as **contact physicians to inform them about specific patients** who may be eligible for a given study

Leveraging LabCorp-Covance Combined Strength

Holistic Approach to Patient Intelligence



Leveraging LabCorp-Covance Combined Strength

Scientific Collaboration with Market Leading Companion Diagnostics (CDx) Capabilities



- ▶ Supported more than **300** CDx, in vitro diagnostic and medical device studies
- ▶ Collaborated with over **40** clients on more than **165** CDx projects in 2017
- ▶ CDx-related net orders grew **~4x** from 2015 to **\$244M** in 2017
- ▶ **~\$135M** in CDx-related enterprise revenue in 2017; **3-year CAGR** of **~20%**

Covance Provides Comprehensive CDx Solutions For The Drug Life Cycle



Utilizing Market Leading Assets

As an Example... Central Laboratory Services



 <p>Kit Manufacturing</p> <p>>99.99% Kit Accuracy</p>	 <p>Global Logistics</p> <p>>4.4M kits shipped per year to over 85 countries</p>	 <p>Global Capacity</p> <p>30,000 kit per day capacity</p>	 <p>Site Start-Up</p> <p>>99.4% first supplies delivered on time</p>	 <p>Companion Diagnostics</p> <p>40+ CDx clients >165 projects</p>	 <p>Data Management</p> <p>>250 M tests resulted in the last 5 years</p>
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 <p>Experienced</p> <p>Engaged in testing for 50 of 50 best-selling products in 2017</p>	 <p>Broad Therapeutic Experience</p> <p>5,627 Protocols 102 Countries 176,398 Sites 1.8 M Patients</p>	 <p>Global Footprint</p> <p>22 M Samples 57 M Results 98.3% Reportable Results</p>	 <p>Biomarker and Specialty Testing</p> <p>3,000+ Assays >50 New Validations Annually</p>	 <p>Enrollment Advantage</p> <p>Investigators prefer Covance by 3X over next competitor</p>
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Expanding Clinical Capabilities

Stronger Together with Chiltern



Combined Offering Delivers Value



Presence

- Broad customer base with strong growth potential across all segments



Therapeutic Capabilities

- Broad therapeutic offering across all phases of development
- The most experienced central laboratory (e.g., biomarkers, companion diagnostics)



Informatics

- Clinical analytics and FSP capabilities and suite of technology offerings (Xcellerate® and Endpoint IVR)



People

- Global employee enhancement

Biotech: Delivering A Differentiated Experience

- *Dedicated teams*
- *Collaborative engagement*
- *Personalized attention*
- *Data aggregation and insight*
- *Deep therapeutic and scientific expertise*



Providing Industry Leading Breadth of Solutions

- Early Phase Development Solutions
- Phase I Sites/Adaptive Design
- Phase I-IV
- Biomarkers/CDx
- Central Lab/Esoteric testing
- Consulting Regulatory Commercial
- Covance MarketPlace
- Xcellerate

LaunchPad Business Process Improvement Initiative

Re-engineering Processes and Integrating New Technology to Drive Margin Expansion



Talent and Asset Optimization

- Aligning people and capabilities with client expectations
- Optimizing the global footprint

Process Discipline and Productivity

- Process and system improvements
- Culture of continuous process improvement

Delivery Transformation

- Transforming the delivery of clinical studies and lab services
- Positioning the company for the future of clinical trials

Customer Centricity

- “Customer First” mindset
- Driving growth and loyalty through customer-centric investment

- *Global service delivery model (GSDM)*
- *Organizational design to enable seamless distribution of work globally*
- *Real estate consolidation*



- *Software-enabled process automation*
- *Rollout of new technology platforms*

- *Commercial process investments and improvements*
- *Differentiated, integrated solutions from Chiltern acquisition*

Net Savings: \$20M in 2017, and additional \$130M over three years ending in 2020
After achieving \$100M in cost synergies from LabCorp's acquisition of Covance

Maximizing Tools and Technologies

Innovative Solutions Focused on Client Needs



PharmAcuity

Leverages proprietary and public data providing insights and guiding decisions; optimizes trial planning.

Includes metrics benchmarking, trial forecasting, and protocol optimization.



Patient Recruitment

Providing insights into site selection, patient recruitment and resource allocation.

Using custom analytics to leverage the power of Covance's unparalleled patient and investigator databases.



Endpoint

Best-in-class interactive response systems.

Continuous innovation and investment including new high-value physical sample management solutions.



Xcellerate

Most modern, end-to-end clinical trial solution. Decreases risk, increases patient safety and data quality.

Includes advanced clinical data management, risk-based monitoring, and dashboards.



Global Specimen Solutions

Reduces the time, cost and risk of specimen based research.

Increases value of existing assets with advanced analytics, visualizations, and first-to-market patient consent mapping.



Patient Intelligence

Voice of patient insights from industry leading patient panel.

Understand patient view of trial participation, enhance protocol design and recruiting tactics.

Creates patient-centric development approach.

Contributed to \$1B+ of Revenue Across Clinical Development in 2017

Strong book to bill of **1.36** and backlog of over **\$7.1B** driving year-on-year revenue growth of 20% - 24% (**mid to high single digit organic growth**), including **improved** margins over the next 3 years

Diagnostics and Drug Development combination creates differentiation from competition through data, patient intelligence, and scientific collaboration

Transformative investments in **talent, solutions, and technology** positioning Covance for growth



LabCorp Diagnostics Strategic Overview

Gary Huff

*Chief Executive Officer,
LabCorp Diagnostics*



Financial Strength



- Significant free cash flow
- Stable business with history of performance
- >\$7 billion in revenue in 2017; 10-year revenue CAGR of ~6%
- Hundreds of thousands of client relationships
- ~1,600 managed care contracts

Market Position



- Leading scientific innovation and ability to partner and acquire expertise
- Value creation with diagnostics and drug development combination

Why customers choose LabCorp

- We **lower cost and improve quality**
- We **create value** with the combination of Diagnostics and Drug Development
- We are focused on providing an **exceptional experience**



Expertise



- Unmatched depth and breadth of solutions
- Scientific, therapeutic, value-based care and IT expertise
- Experienced senior leadership
- 11 Centers of Excellence
- ~600 M.D. and Ph.D.

Infrastructure



- Strong U.S. infrastructure
- ~1,900 Patient Service Centers
- Extensive test menu, including esoteric offering
- 3,100 couriers
- ~50% of U.S. population in patient database
- >65,000 digital interfaces

Multiple Growth Opportunities

- Health systems and hospitals
- Managed care
- Independent physicians
- Companion diagnostics



Continual Innovation

- Venture investments
- Walgreens retail health partnership
- Proprietary technology to enhance the consumer experience
- 100 new tests per year (on average)



Data Powerhouse with IT Expertise

- ~50% of U.S population / >30 billion lab test results
- Big data platform
- Interfaces with over 600 EMR and laboratory information systems (LIS) vendors
- Holistic approach to patient engagement, including mobile

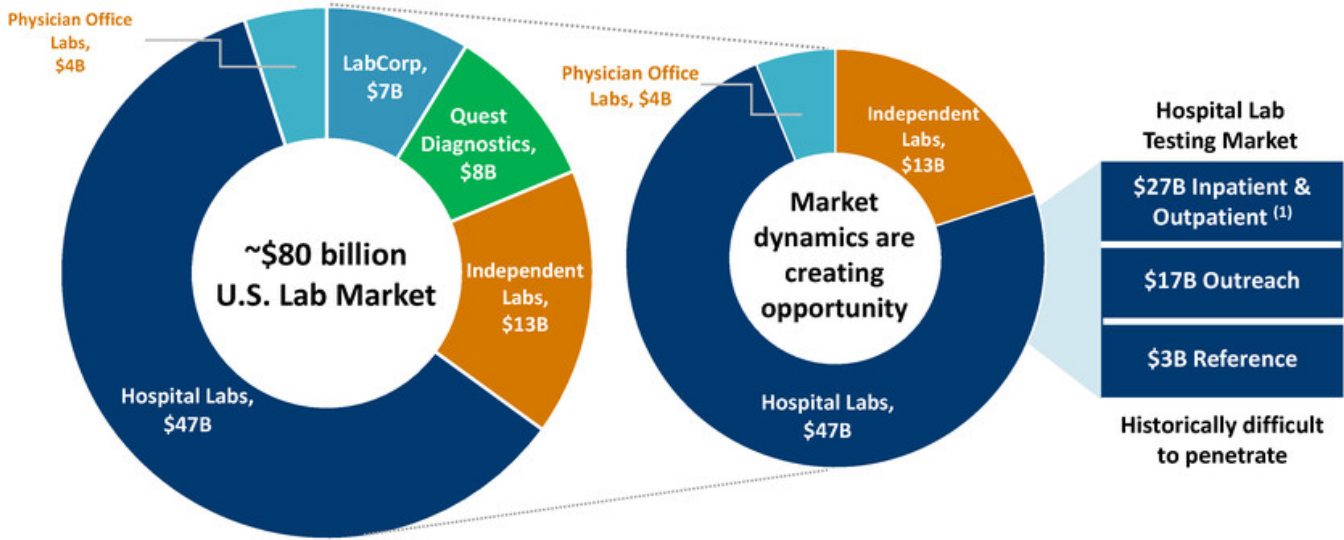


Leadership

- Talented leadership, track record of execution
- Scientific strength
- Consistent, profitable growth
- Structured to be close to the customer

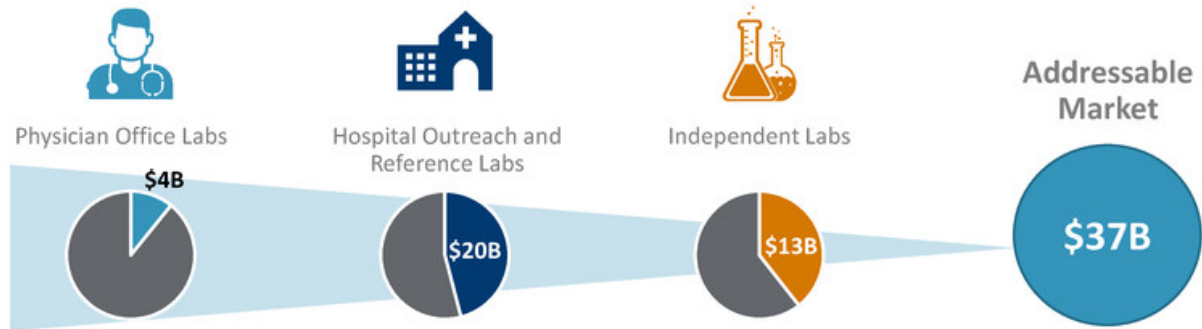


Leadership in a Stable, Growing, and Fragmented Market



(1) Generally reimbursed as part of a bundled payment

Well-Positioned to Capture the Addressable Market



Driving Profitable Growth

- 1 Accretive and strategic acquisitions
- 2 Deliver innovative value-based care solutions
- 3 Value creation through diagnostics and drug development combination

Multiple Industry Dynamics Play to LabCorp's Strengths

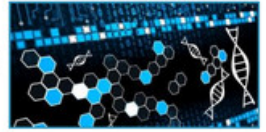
Consumerism

- Consumers are taking greater responsibility for their wellness and healthcare
- Demand low cost, high quality, access and technology
- **Access: Partner with health retailers**
- **Convenience: consumer initiated programs and in-home testing**



Technological Innovation

- Technologies are developing rapidly and require capital to employ
- Big data platforms needed to connect information from disparate sources
- **EHR data fed into analytics platform for predictive learning**



Scientific Innovation

- Personalized medicine guiding new approaches
- **Next generation sequencing capability**
- **OmniSeq partnership for molecular profiling to improve cancer treatment**



Pricing Pressure

- Insurers are focused on driving utilization to low-cost site of care
- **National scale enables low-cost position**
- **Automation and standardization provide industry-leading operational efficiency**





1. Drive Profitable Growth



2. Optimize Opportunities

- Acquisition Integration
- Bad Debt Improvement
- LabCorp at Walgreens Expansion

Driving Growth Through Focus on Key Customer and Testing Segments

Smart Growth

Customer Segments



Testing Segments



How Will We Grow?

Accretive and strategic acquisitions

Deliver innovative value-based care solutions

Leverage combination of diagnostics and drug development

Utilizing Technological Innovation to Improve Care, Lower Cost and Enhance Experiences

1 Improve Care

- Value-based care solutions and tools
- Laboratory analytics and decision support tools



2 Lower Cost, Improve Quality

- Automation expansion, including Propel
- Standardization
- IT connectivity



3 Enhance Experiences

- Roll-out of consumer self-service tools
- Meet patients where they want to be met
- Price transparency



Lab market undergoing **unprecedented changes** driven by consumerism, scientific and technological innovation, as well as price pressure

Well-positioned for long-term profitable growth through our differentiated laboratory solutions and combination with Drug Development capabilities

Committed to **quality, service and innovative solutions** providing the foundation for new and deeper collaborations with customers



**Broad Capabilities that Support the
Transition to Value-Based Care**

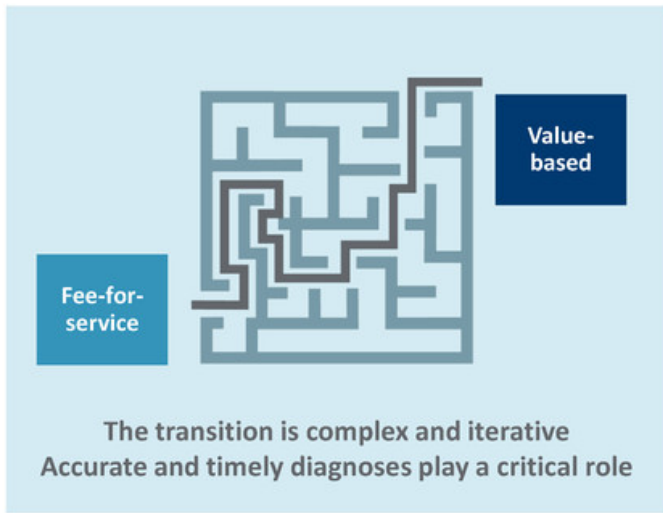
Brian Caveney, M.D.

Chief Medical Officer

Bryan Vaughn

*Senior Vice President, Health Systems,
LabCorp Diagnostics*





Health Systems

Deep, innovative partnerships



Clinicians

Efficient workflow, timely information



Payers

Data sharing, provider collaboration

Uniquely Positioned to Succeed in Value-Based Care



Lower Cost of Utilization

- Managed care networks, benefits
- Health system partnerships
- Consumer empowerment



Right Test, Right Patient

- Smart test design (i.e., cascades)
- M.D., Ph.D. access
- Cover gaps in care
- Result trending, global result search



Beyond Lab Testing

- CDx, CaDx for optimal therapy
- Chronic disease programs with clinical decision support
- Data supports care management programs and population health
- Access to clinical trials

Powered by standardized lab systems and data, flexible data interfaces and feeds, and technology-enabled tools

Leading Laboratory Services

- National access
- Comprehensive test menu
- Sales and service organization
- Scientific innovation
- Power of scale

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



Clinical Decision Support

- Programs on key disease states
- Lab reports support care guidelines
- Developed by physicians
- Data monitoring drives cost-effective care management

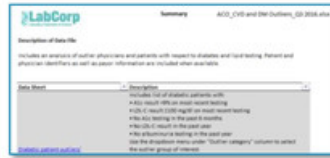
Drug Development Solutions

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



Providers

- Identifies untreated problems
- Patient-specific recommendations based on current guidelines / standards of care delivered with lab results



Payers

- Targeted data feeds
- Lower overall medical expenses through earlier disease identification



Patients

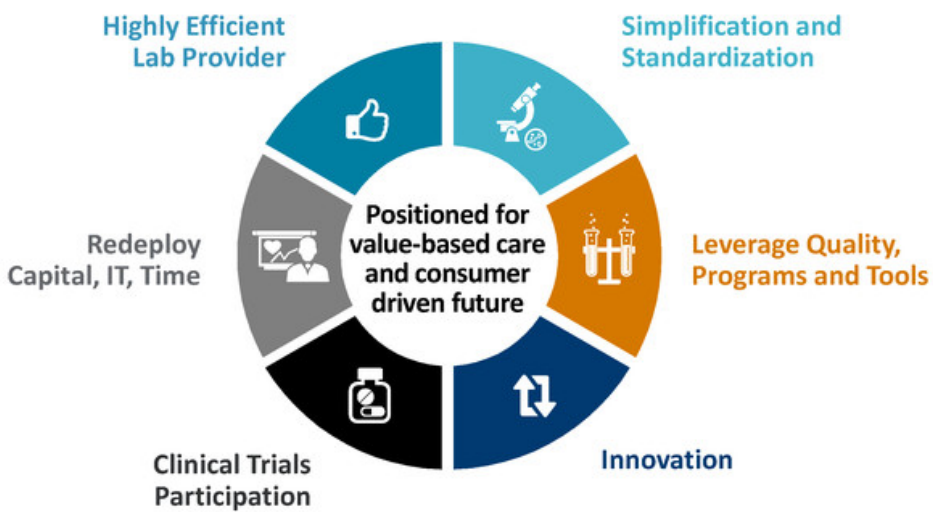
- Educate patients about what their lab results mean
- Empower patients to participate in their own care
- Condition-specific care plans

Patient ID	Patient Name	Lab Result 1	Lab Result 2	Lab Result 3
1000000001	John Doe	120	150	180
1000000002	Jane Smith	110	140	170
1000000003	Bob Johnson	130	160	190
1000000004	Alice Brown	105	135	165
1000000005	Charlie Davis	125	155	185
1000000006	Diana White	115	145	175
1000000007	Frank Green	135	165	195
1000000008	Grace Black	100	130	160
1000000009	Henry Blue	140	170	200
1000000010	Ivy Red	110	140	170
1000000011	Jack Purple	120	150	180
1000000012	Karen Yellow	105	135	165
1000000013	Liam Grey	130	160	190
1000000014	Mia Silver	115	145	175
1000000015	Noah Gold	125	155	185
1000000016	Olivia Bronze	100	130	160
1000000017	Peter Platinum	140	170	200
1000000018	Quinn Nickel	110	140	170
1000000019	Ryan Copper	120	150	180
1000000020	Sarah Zinc	105	135	165

Care Management Team

- Real-time targeting of high risk patients
- Highlight outliers and likely gaps in care
- Metrics on provider performance

Driving Value Through Broad-Based Partnerships with Health Systems





Hospitals



Post-acute



Alt Sites



Specialists



Primary Care

\$47B Hospital Labs

\$4B Physician Office
Labs

Value-based care will drive today's fee-for-service settings to look more like **cost centers**

PAMA and new technology will drive **unprecedented transparency**

Multi-billion dollar opportunity in health system partnerships driven by LabCorp's low-cost, high-quality market position

Multi-faceted relationship with Mount Sinai Health System

 Outreach Acquisition <ul style="list-style-type: none">• Divesture of non-core asset• Gained square footage by reducing infrastructure	 Reference Testing <ul style="list-style-type: none">• Consolidation of lab partners• Reduces expense, IT, and complexity	 Data for Accountable Care <ul style="list-style-type: none">• Sharing standardized lab result data to empower population health• Innovative Hepatitis C awareness and management program under development
 Academic Collaboration <ul style="list-style-type: none">• Carved out molecular / genetics lab from acquisition• Support of residency programs	 Clinical Trials <ul style="list-style-type: none">• ↑ number of studies offered by Covance	 Financial Benefits <ul style="list-style-type: none">• Redeploy capital, space, and IT resources• Operations improvement through efficiencies and trials



**Mobile phlebotomy
increases convenience
and efficiency**



**Inpatient molecular
testing improves care
and utilization**



**New clinical trials
to systems**



Opioid management

Multi-Pronged Approach to Deliver Value to an Accountable Care Organization (ACO)



Case Study



Clinically integrated network with 240 physicians
Multiple EHRs, multiple value-based contracts

High quality, cost effective lab service

Standardized, timely lab result data

Deployed Care Intelligence™ population health tool

High-cost and out-of-network lab providers

High risk and rising risk patient populations

Active patient management

In 2016, for 16,000 commercial patients:

- \$4.7M in total savings
- ↓ inpatient utilization 15%
- ↑ primary care visits double digits in high risk patients
- 90th percentile patient satisfaction

Uniquely positioned to succeed in value-based care by lowering the cost of utilization, driving appropriate utilization, and providing value beyond lab testing

Developing **innovative tools, technology and business models** to further our value proposition for patients and health systems

Supporting health systems' transition to value-based care represents a **multi-billion dollar long-term growth opportunity**



**Extending our Leadership in
Companion Diagnostics**

Marcia Eisenberg, Ph.D.

*Chief Scientific Officer,
LabCorp Diagnostics*

Steven Anderson, Ph.D.

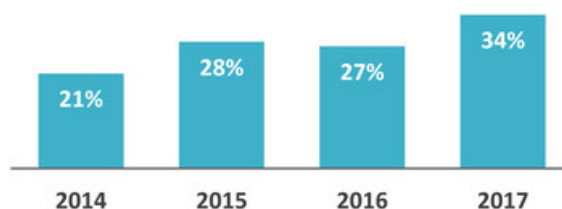
*Chief Scientific Officer,
Covance Drug Development*



Key Drivers in Precision Medicine

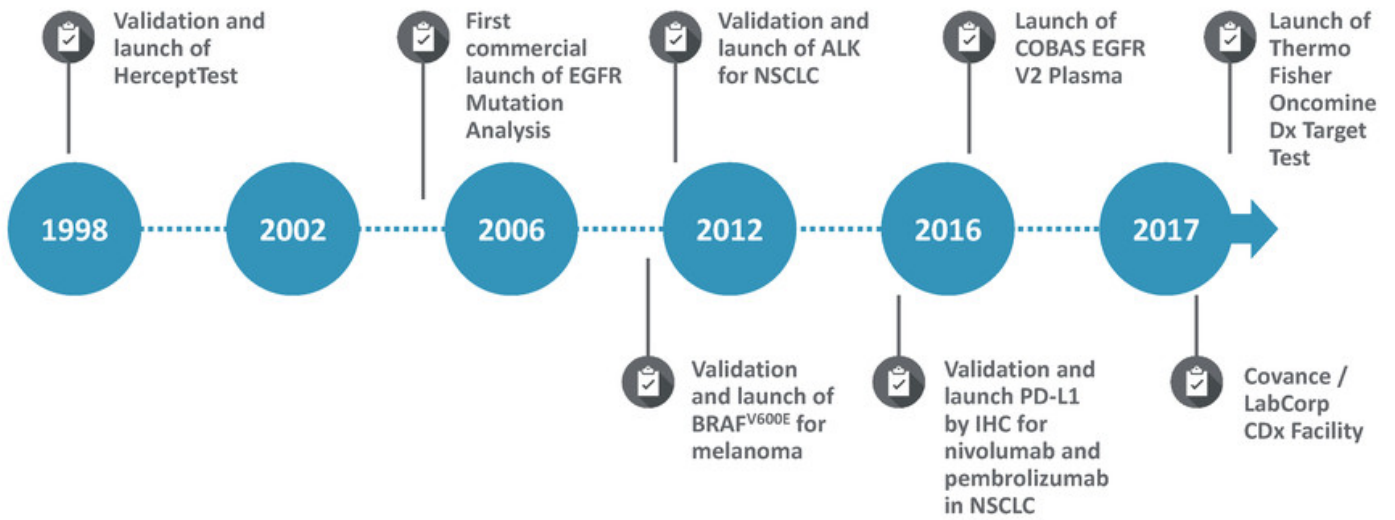
- ▶ Genomic and proteomic biomarkers are key features of developing new therapies and diagnostics
 - Define the disease biology
 - Provide targets for new therapies
- ▶ A companion diagnostic is the ultimate biomarker test
 - Co-developed and linked with a specific therapy
 - Help identify patients most likely to respond
 - Help identify patients who may have an adverse event
 - Provide added value for how the diagnostic and therapy are used

Personalized Medicines Top 30% of FDA Approvals for First Time in 2017⁽¹⁾

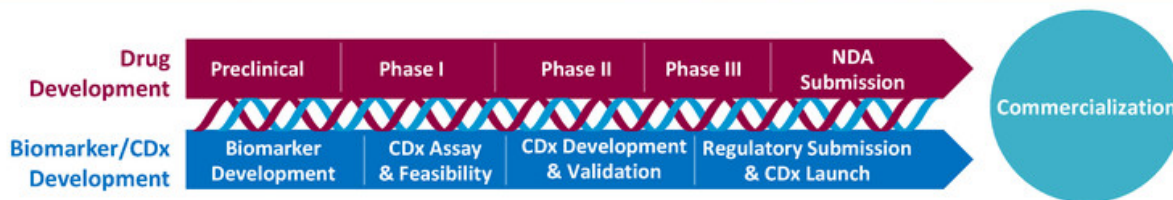


(1) Source: Personalized Medicine Coalition. *Personalized Medicine at FDA: 2017 Progress Report.*

Two Decades of Experience with CDx Commercialization



Unmatched Franchise Providing End-to-End Clinical Development and Commercial Lab Testing Solutions



- ▶ Bench to commercialization expertise
- ▶ Leaders in both in vitro diagnostic (IVD) and single lab PMA regulatory approaches
- ▶ Experience with 300+ IVD and medical device studies
- ▶ Supported **approximately 70%** of all FDA approved companion diagnostics on the market – including approvals for HER2, KRAS, EGFR, BRAF, ALK and PD-L1
 - Recent examples in immuno-oncology, liquid biopsy and next generation sequencing

End-to-end capabilities are a differentiator for development, trial support and commercialization

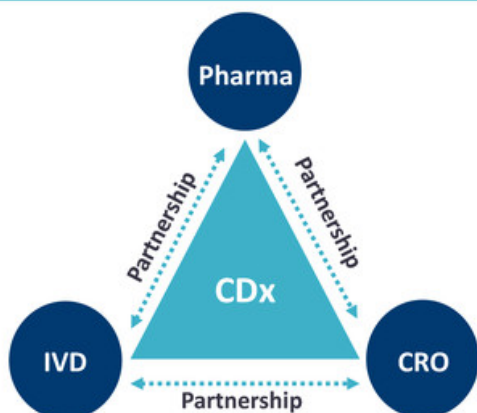
Dedicated CDx Laboratory Combines Unmatched Expertise with Leading Technology



- ▶ 36,000 sq. ft. facility in North Carolina
- ▶ Dedicated laboratory and staff for **development, validation, and transfer** of CDx assays
 - Focus on Genomics and Molecular Pathology
 - Associated GMP manufacturing capabilities



IVD Pathway



Single Site Pathway (ssPMA)

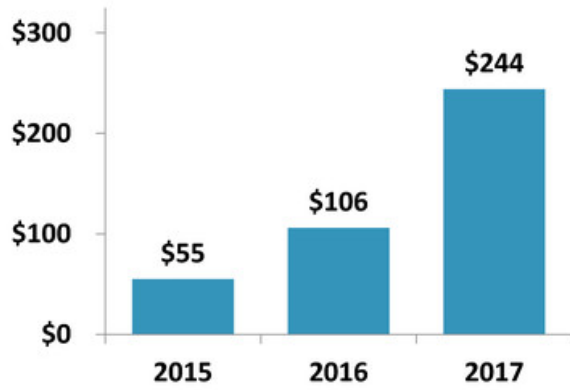
- ▶ Faster route for development and commercialization
- ▶ Develop and validate test on established IVD platform
- ▶ Laboratory service provider also leads the regulatory submission for regulatory clearance
- ▶ Initial launch as FDA-approved PMA IVD contingent on intended use of marker
- ▶ May subsequently partner with IVD manufacturer for kit development on same platform, allowing decentralization of testing

Current projects are split 75% IVD partnership pathway and 25% ssPMA pathway, with a growing interest in the ssPMA approach

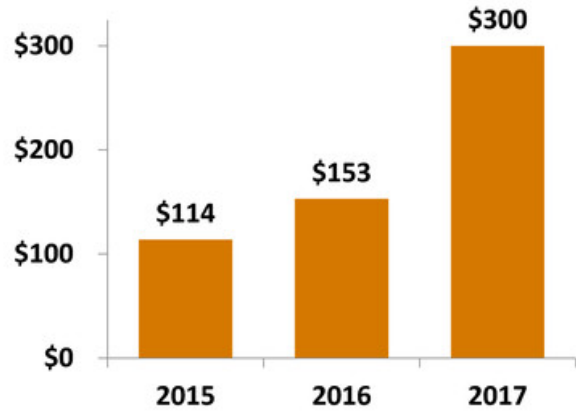
Strong Demand for Companion Diagnostics Will Drive Profitable Revenue Growth



CDx-Related Net Orders (\$M)



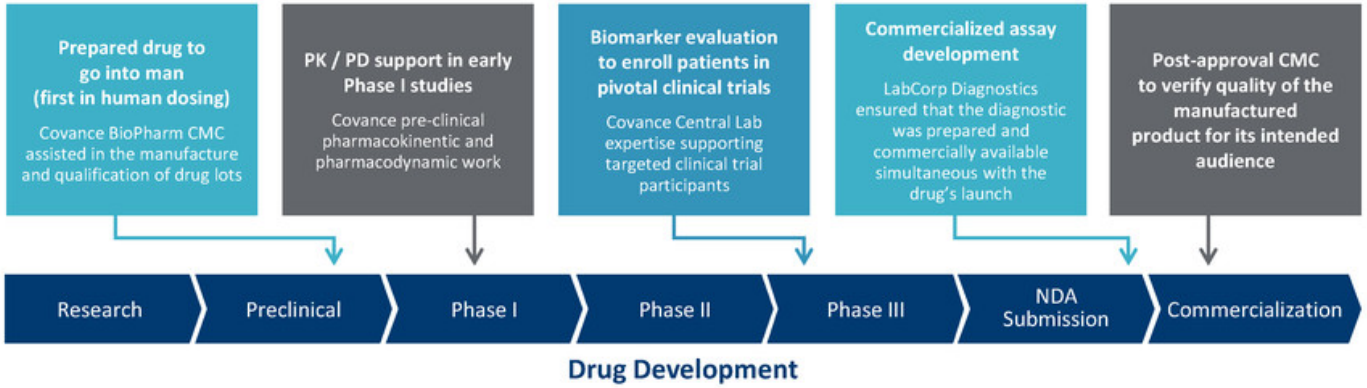
CDx-Related Backlog (\$M)



End-to-End Support for a New Oncology Therapy and Associated CDx Assay



For a recently approved immuno-oncology therapy, Covance and LabCorp Diagnostics collaborated to provide five distinct drug development services:



Demonstration of end-to-end capabilities that are a differentiator in Companion Diagnostics  Case Study

Increasing interest in precision medicine and use of biomarkers *extending beyond oncology* to other therapeutic areas

Attractive expansion of client base – collaborating with mix of large pharma, emerging pharma and biotech clients

Technological advancements enabled by multiplexing, such as Next Generation Sequencing, Gene Expression Profiling, and Proteomics

Interest in and use of the *single site PMA regulatory approach* drives improvements in efficiency, flexibility and cost

Comprehensive *commercial strategy*, including *global CDx partnerships*

LabCorp and Covance have an **unsurpassed track record** in the **development and commercialization** of CDx assays

An increasing focus on precision medicine, with expansion beyond Oncology applications, provides a **significant growth opportunity in CDx**

Dedicated resources and flexible approaches to CDx development allow Covance and LabCorp to **provide solutions that meet client needs**

Break





**Unmatched Data,
Powerful Insight**

Lance Berberian
Chief Information Officer

Gabriela Feldberg
*Head of Feasibility, Recruitment
and Engagement,
Covance Drug Development*



Compelling Combination of Data and Tethered Relationships is a Key Competitive Advantage for the Enterprise



Our Data

- Timely
- Standardized
- Precise
- Identified



Our Relationships

- Patients
- Physicians and Health Systems
- Investigators
- Pharmaceutical Companies
- EMR Providers



Actionable

- Assist with Closing Gaps in Care
- Recruit Patients Faster
- Design High Quality Trials
- Leverage Health System Data
- Support Precision Medicine Goals

Covance Offers a Suite of Differentiated Drug Development Tools for Trial Planning and Execution



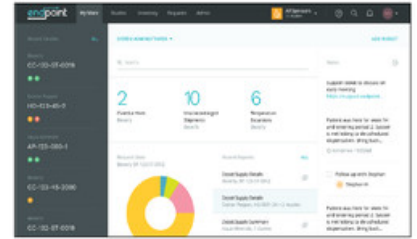
PharmAcuity™

- Metrics and Benchmarking
- Trial Forecasting



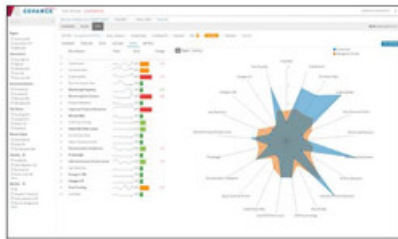
endpoint

- Pulse
- Drive



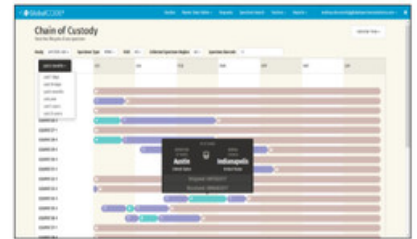
Xcellerate®

- Clinical Data Hub
- Monitoring Solutions
- Data Management
- Insights



GLOBAL SPECIMEN SOLUTIONS

- GlobalCODE
- snapTRACK
- LabCODE



LabCorp Diagnostics Offers Tools That Serve Key Customer Segments



Service	Physicians / Health Systems	Consumers	Payers / Managed Care
Guidance on Test Selection	●		
Placement of Electronic Orders (Portal and EMR)	●		
Mobile Optimized Reservations		●	
Multi-Channel Check-In		●	
Delivery of Electronic Test Reports (Portal and EMR)	●	●	●
Post-Analytical Clinical Decision Support	●		
Population Health (Data Feeds and Tools)	●		●
Test Result Trending	●		●
Client Supplies Ordering	●		
Online Invoice Payment		●	
Hospital Reporting	●		
Payer Reporting	●		●



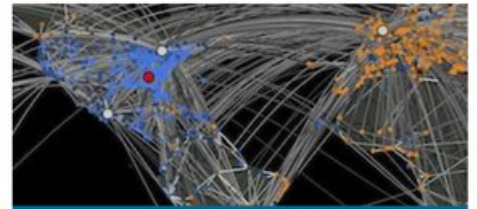
Real World Data

- Not biased and represents people as they live with their disease
- Patient data is granular and identifiable



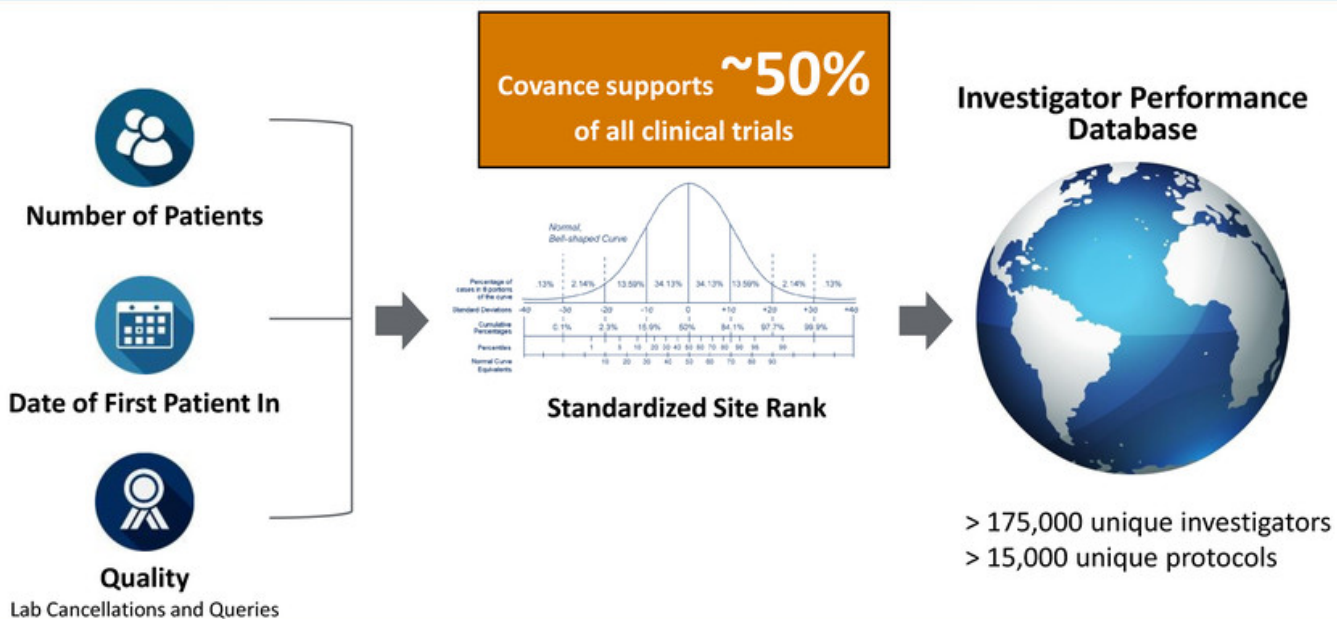
Vast Test Menu

- 30+ billion test results across thousands of diagnostic assays
- >2.5 million samples collected (>30% by LabCorp phlebotomists) and processed weekly across many diseases and therapeutic areas



Population Level Disease Analysis

- Surveillance of disease spread to enable just in time recruitment
- Unlike other types of real world data, lab data can be easily accessed near real time



Covance Value Proposition

Exceeding Recruitment Goals for a Global Multi-Study Registration Program



Case Study

CLIENT CHALLENGE



Randomize 2,700 patients within a very narrow timeframe for a suite of registration studies

Get all sites across the globe up and running as quickly as possible

UNIQUE SOLUTIONS

>175k
unique investigators

>15k
protocols

Leveraged Xcellerate® historical investigator database to identify and secure highest performing investigators in indication

Based on extensive feasibility outreach and site capacity assessment, efficiencies were identified that allowed effective overlapping of sites across the program resulting in accelerated site start-up and reduced clinical costs

Key Performance Result: Achieved “first patient in” requirement ahead of schedule for all studies in the program. Beat historical industry performance across a number of key metrics:

18% fewer weeks from final protocol to FPI

75% more high-performing sites

31% more patients/site/month

41% fewer non-performing sites

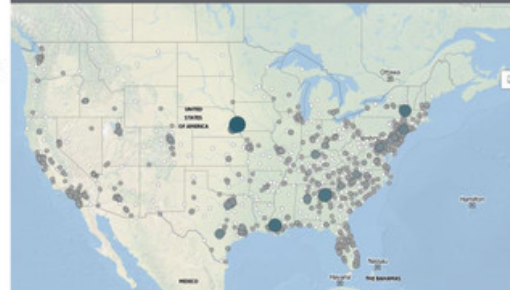


Understanding the Impact of Study Design on the Available Patient Pool

75%
reduction

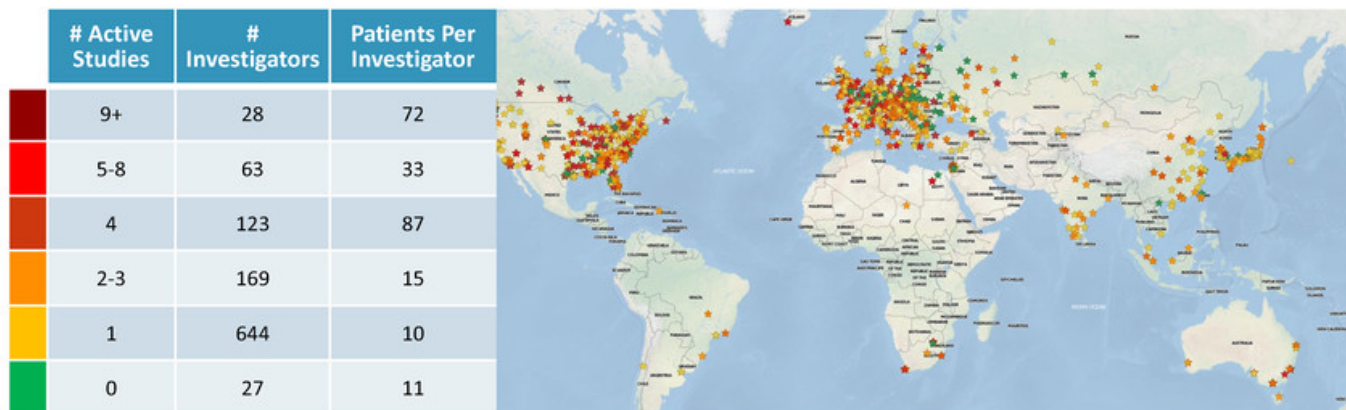
51,814 patients between June 2016 and May 2017 identified
48,708 patients between 18 and 80 years old
20,288 without Crohn's Disease, IBD and UC Proctitis
20,146 without Malignancy, Inherited Immuno Syndrome, TB and HIV/AIDS
20,075 without Hepatitis B and C
13,950 with all relevant labs populated
13,750 with Neutrophil value $\geq 1.5 \times 10^9/L$ and Platelet $\geq 100 \times 10^9/L$
13,552 with Hemoglobin $\geq 8.5g/dL$ and Lymphocyte >500 cells/uL
13,516 with Total WBC $\geq 3.0 \times 10^9/L$ and Serum Creatine $\leq 2xULN$
13,227 with Alk Phos $\leq 2xULN$ and ALT $\leq 2xULN$
12,980 with AST $\leq 2xULN$ and Bilirubin $\leq 3xULN$

The protocol inclusion / exclusion criteria is applied to the patient pool and then matching patients are geo-located on the map



Covance Data Insights Show Workload of Key Investigators

- Objective site performance data around the globe which includes 8+ pharma programs and 53 active UC studies
- Creates immediate 963 sites for targeted outreach
- 27 out of 1,054 (3%) of known investigators are not in an active trial
- Investigator patient accrual per study drops as more studies are taken on – diminishing return from in-demand sites



Location of Covance Sites in Relation to Ulcerative Colitis Patients

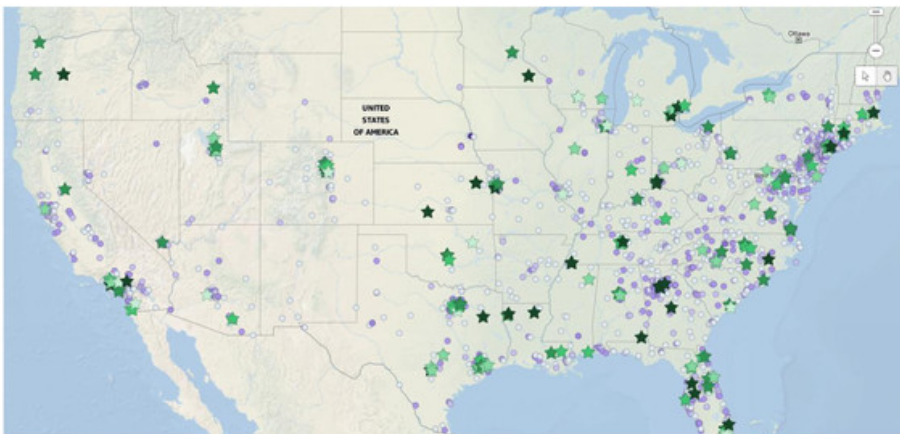
Sample from Seven UK GP Surgeries

BLUE DOTS – Crohn's and UC Patients from EMR

SIZE OF BLUE DOTS – Number of Patients

STARS – Covance sites

COLOR OF STARS – **Green** high score to **red** low score



DOTS – UC patients who match study design from LabCorp Real World Database
STARS – High performing Covance sites

Case Study

CLIENT CHALLENGE



Study was looking for a small subset of patients which represented **<7% of patients**



Study to test if a drug reduced progression of kidney disease in patients with Type II diabetes

UNIQUE SOLUTIONS

>150
Million patients

>30
Billion test results

Analyzed LabCorp de-identified patient data to discern whether small protocol changes could accelerate recruitment



Data helped to identify that making minor changes to the eGFR cutoff would increase the patient pool size therefore reducing recruitment timelines

Result: The eligible patient population increased by more than 50% without compromising the objectives of the trial

CLIENT CHALLENGE



Difficulty identifying available sites as landscape changed rapidly driving increased competition



Pharma's preferred sites were unavailable

Seeking patients with AML and a rare genetic mutation
<15% of AML patients

UNIQUE SOLUTIONS

>150
Million patients



Leveraged LabCorp database with de-identified health information on patients with the rare mutation



Increased recruitment activities in the US leveraging the LabCorp sales force to reach out to physicians to gauge interest as investigators and to recruit AML patients

Result: With 274 sites across 28 countries, patient enrollment is on now on track for the initial milestone and has regained its advantage in the recruitment competitive landscape

CLIENT CHALLENGE



Develop a less costly, "site-less" approach to conduct a study collecting survey and laboratory data

Study needed to be national in scope while reducing the patient travel burden

UNIQUE SOLUTIONS



Developed a cross-enterprise virtual study model leveraging the Covance patient support call center, local LabCorp Patient Service Centers and Covance Central Labs to screen participants, collect lab specimens and analyze lab results, respectively

- Online screening, e-consent and enrollment
- Call center acting as virtual site coordinators
- Fully integrated project oversight and data management

Result: Conducted two successful pilot studies recruiting 315 patients across 65 Patient Service Centers. The pharma company is planning to scale up 10x from the pilot to a full national model.

Continuing to add real world data sources to **further accelerate patient recruitment**

Driving a **higher volume of patients through fewer sites** by leveraging deep relationships with key health systems

Leveraging **rapidly growing LabCorp patient database** to gather **actionable patient insights** to inform study design and execution

Utilizing **LabCorp's large network of Patient Service Centers to conduct virtual studies** dramatically reduces the patient burden

Unmatched combination of patient and investigator data, which is **the right data** to guide the delivery of care, study design, site selection and patient recruitment

Direct engagement through multiple channels with patients, physicians, investigators, and health systems create a **holistic data strategy**

Significant **ongoing investment** in talent, technology and capabilities will increase the power of our differentiated data and informatics



Accelerating the Consumer Innovation Platform

Tom Kaminski

*Senior Vice President,
Corporate Strategy*

Mark Wright

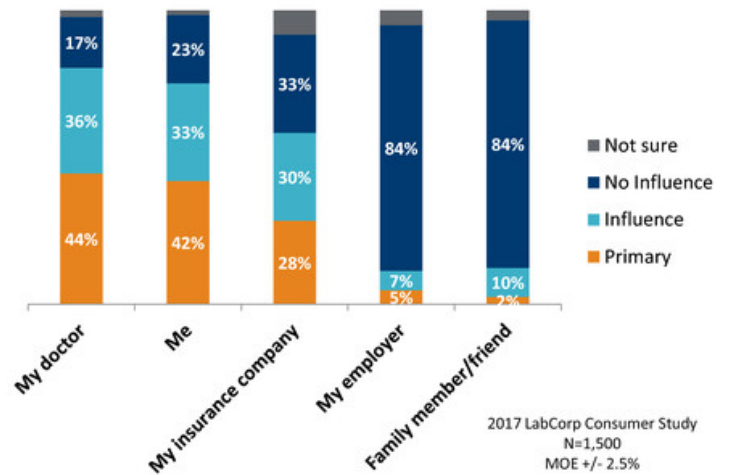
*Senior Vice President, Customer Products,
LabCorp Diagnostics*



Why Focus on Patients as Consumers?

- Consumers are taking greater responsibility for their wellness and healthcare
- Experiencing higher co-pays and deductibles, consumers are increasingly influential in the decision on where lab testing is performed
- Advances in technology drive expectation of convenience
- Performing testing for >2.5 million consumers per week and seeing >150,000 consumers per weekday in person, LabCorp is uniquely positioned to engage with health care consumers at scale
- Having diagnosis and test result information, LabCorp has data and clinical expertise to engage with consumers in a personalized manner

Who is involved in the decision on where to get your lab testing
(e.g. hospital lab vs. third-party commercial lab)



Convenient and Flexible Options

"It is easy to get the lab testing I want or need in the setting that I choose."

Price Transparency

"I understand the relative prices of different lab service providers to make an informed choice. I know what I will pay before I receive services."



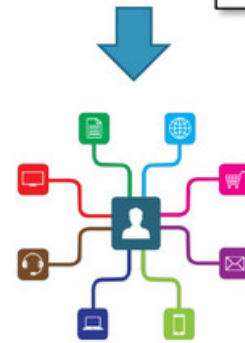
Access and Insights

"I understand my results in the context of my overall health. I manage my health information and decide when and how to share it."

Engagement

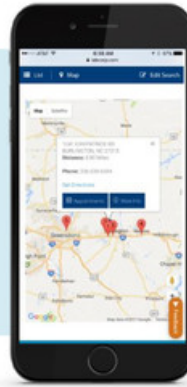
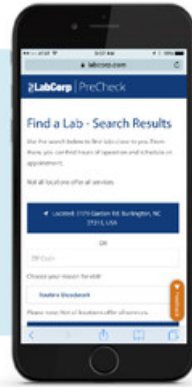
"I engage with the brand on my terms and receive valuable, personalized content. My feedback is heard and acted upon."

- Capturing e-mail and mobile phone numbers for LabCorp consumers across multiple touch points to enable richer engagement and customer satisfaction
- Continue to directly engage with patients through online appointment scheduling, automated check-ins, as well as electronic delivery of results and bills through LabCorp | Patient™
- Engaging with consumers in new ways:
 - Automatic reminders, service confirmations, and call back texts when it is time to be serviced
 - Real-time capture of feedback including Net Promoter Scoring
 - Dedicated care team for consumers
 - Feedback loop with employees
 - Omni channel marketing and communication including social media
 - Relevant, valuable, personalized content



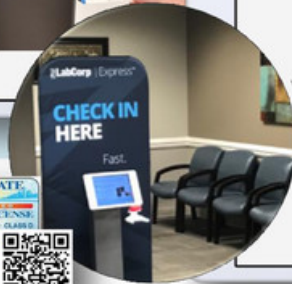
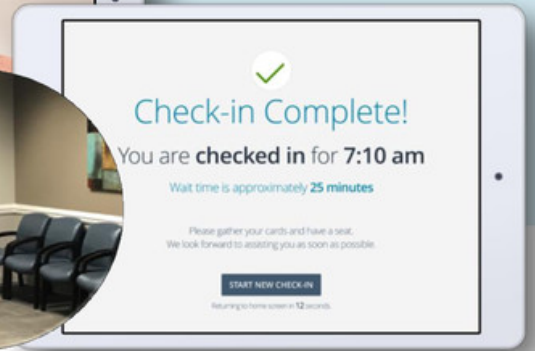
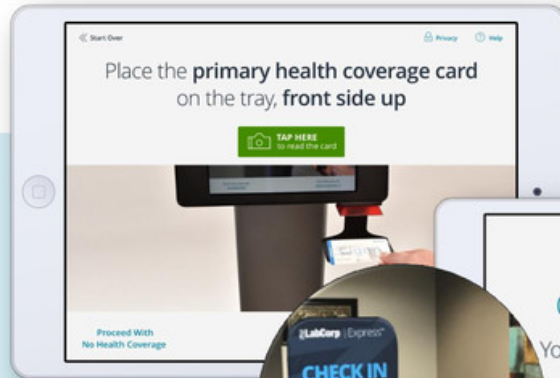


Seamless mobile experience to make reservations, automatically incorporating demographic and insurance information on file





Streamlined experience for patient check-in with minimal manual entry



- The estimator service is enabled across the LabCorp PSC network and for LabCorp in-office phlebotomists
- Estimates are customized for each individual and health plan
- For select genetic testing, consumers can obtain cost estimates online without visiting a PSC

PATIENT ACKNOWLEDGMENT OF ESTIMATED FINANCIAL RESPONSIBILITY

INTENT INFORMATION
 Name: Jane Smith Responsibility Party: Jane Smith
 DOB: 01/01/1980 Address: 1234 Main Street, Suite 500
 Gender: Female City: Anytown, IL 60101

INSURANCE COVERAGE INFORMATION
 Primary PPO Insurance Company: LabCorp Preferred Care PPO
 Subscriber #: 9123456789
 Your Health Plan Benefits Status: Eligible on 06/01/2016

PHYSICIAN INFORMATION
 Account: 00000000
 Physician Name: John Advantage Health
 Physician Name (Short):

SERVICE INFORMATION
 Date of Service: 06/01/2016
 Tests Ordered: 80000, 82000, 83000, 84000, 85000

SUMMARY OF ESTIMATED CHARGES

INDUCIBLE, COINSURABLE, AND COPAY	+	NONCOVERED SERVICES	=	YOUR ESTIMATED RESPONSIBILITY
\$19.51		\$17.73		\$37.24

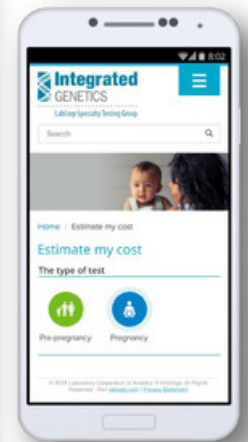
COVERED SERVICES

Bill #	Description	Health Plan Allowed Charge	Amount Billed	Amount Paid by Health Plan	Out-of-Pocket	Coinsurance	Copay	YOUR OUT-OF-POCKET EXPENSE
80000	General Health Exam	\$47.07	\$35.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
82000	15-15-25 Pregnancy	\$48.00	\$32.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
84000	T4 Total	\$9.35	\$7.48	\$0.00	\$1.87	\$0.00	\$0.00	\$1.87
Totals:		\$104.42	\$74.48	\$0.00	\$19.51	\$0.00	\$0.00	\$19.51

NONCOVERED SERVICES

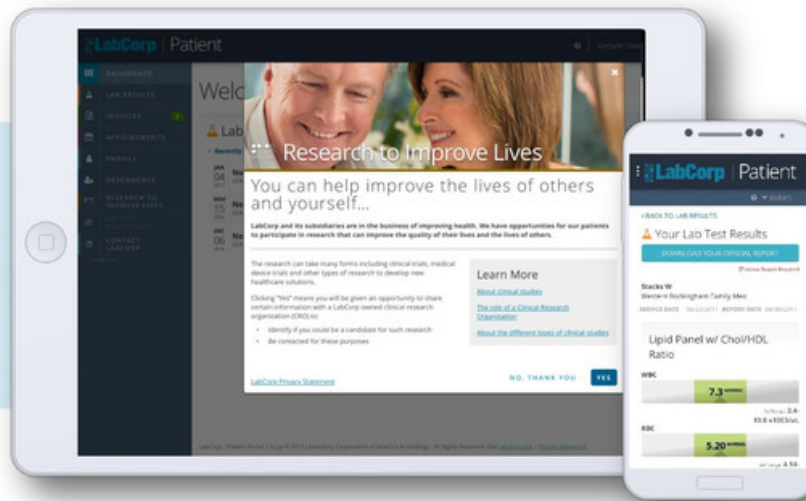
Bill #	Description	Charge Category	Noncovered Service Rate	YOUR OUT-OF-POCKET EXPENSE
80001	Lead Panel	UPRECONCEPTIVE DIAGNOSIS	\$17.73	\$17.73
Totals:			\$17.73	\$17.73

Page 1 of 2 Dollar Figures Provided for Illustrative Purposes Only.

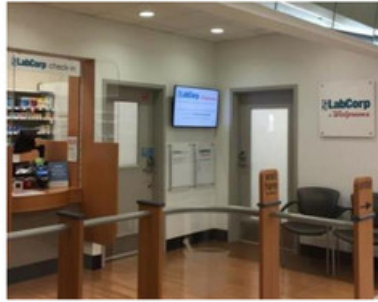




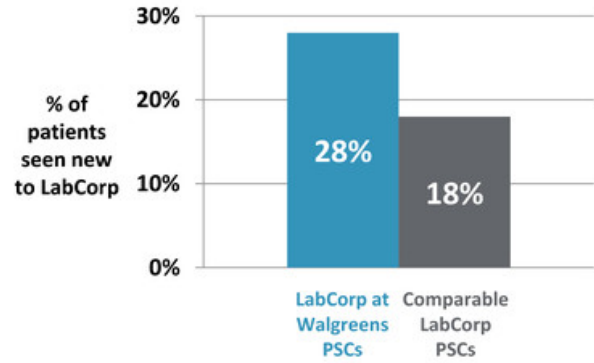
Every patient that registers in LabCorp | Patient™ is given the opportunity to participate in research



All test results displayed in an easy to read and intuitive visual plus official report available for download



LabCorp PSCs in Walgreens stores are attracting new patients



Consumer genetics



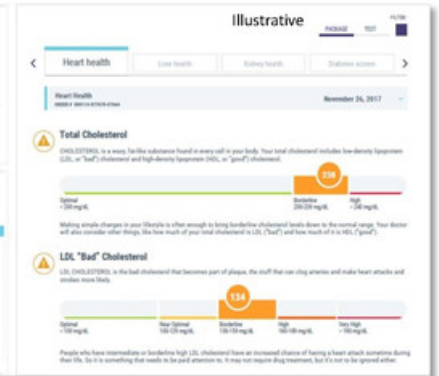
Telemedicine



Home health



Moving Reliable Self-Collected Testing to the Home



Consumer engagement is vital to Diagnostics, Drug Development, and other key stakeholders (e.g., managed care, providers)

Deploying industry-leading **technology-enabled solutions** will improve the consumer experience

Our consumer platform will continue to **accelerate revenue growth**

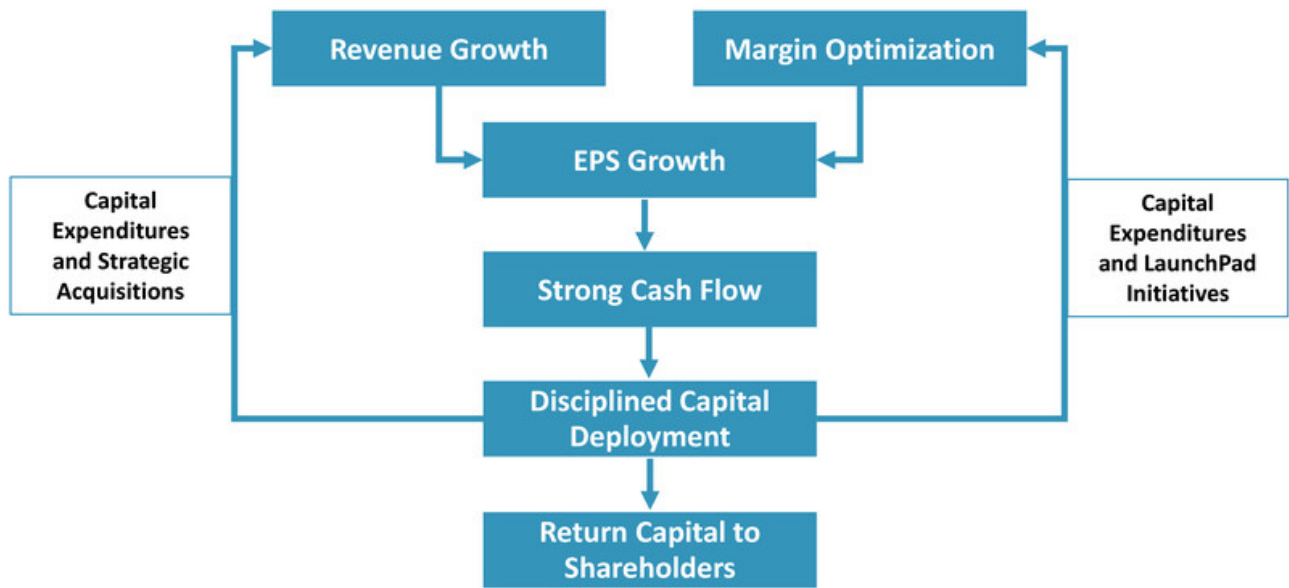


Finance Overview

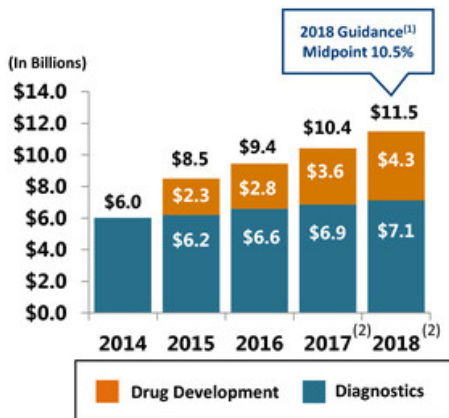
Glenn Eisenberg

Chief Financial Officer

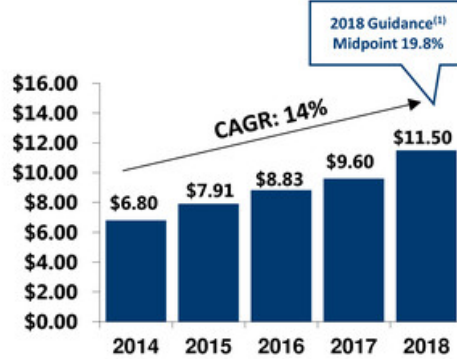




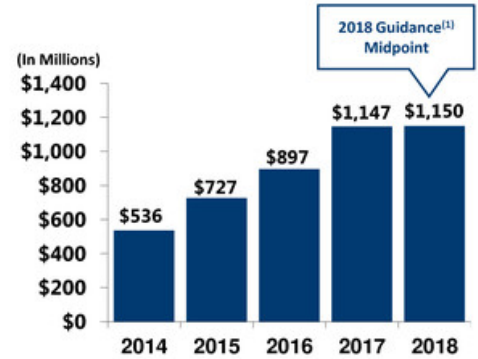
Revenue



Adjusted EPS⁽³⁾



Free Cash Flow⁽⁴⁾



(1) Guidance issued on February 6, 2017

(2) Includes the estimated impact from adoption of the new revenue recognition accounting standard (ASC 606). See Appendix for details of the preliminary reconciliation of 2017 results

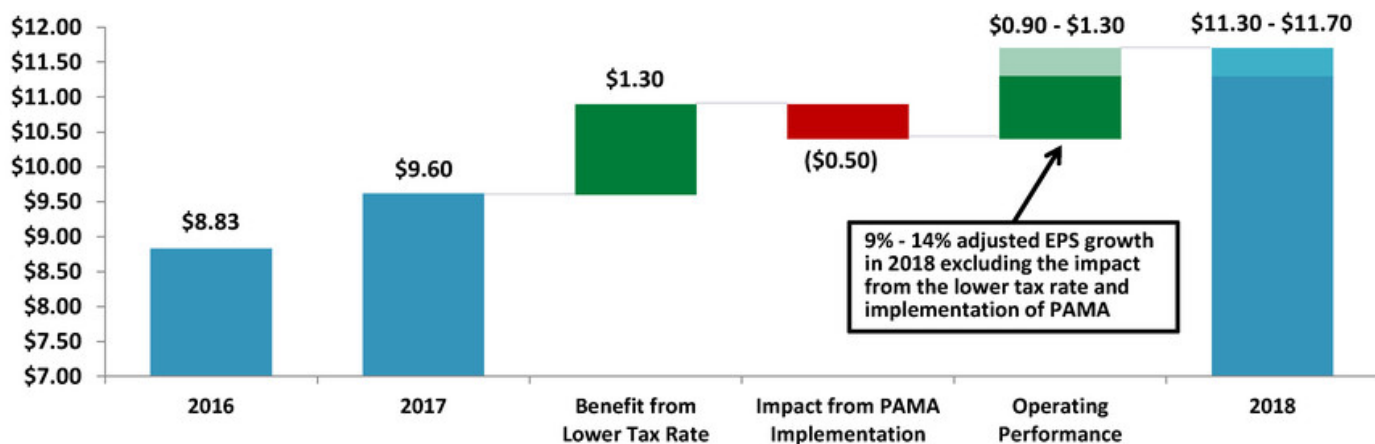
(3) EPS, as presented, represents adjusted, non-GAAP financial measures (excludes amortization, restructuring and other special charges). See Appendix for non-GAAP reconciliation

(4) Free Cash Flow represents Operating Cash Flow less Capital Expenditures in each of the years presented. See Appendix for non-GAAP reconciliation

Metric	Guidance
LabCorp Diagnostics Revenue Growth ⁽¹⁾	3.0% to 5.0%
Covance Drug Development Revenue Growth ⁽¹⁾	20.0% to 24.0%
Total Revenue Growth ⁽¹⁾	9.5% to 11.5%
Tax Rate	25%
Adjusted EPS	\$11.30 to \$11.70
Free Cash Flow	\$1.1 to \$1.2 Billion
Capital Expenditures	3.5% of Revenue

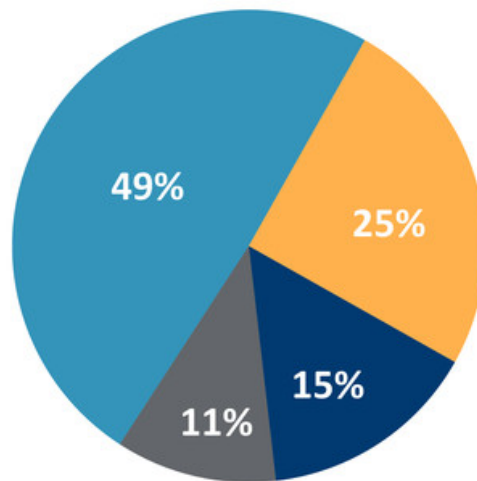
(1) Calculated based on the preliminary restatement of revenue in 2017 related to the Company's adoption of the new revenue recognition accounting standard (ASC 606) effective January 1, 2018. See Appendix for additional details.

2018 Adjusted EPS Guidance Bridge ⁽¹⁾



(1) Adjusted EPS exclude amortization, restructuring charges and special items as well as a net benefit in the fourth quarter of 2017 of \$5.00 per diluted share due to the implementation of the Tax Cuts and Jobs Act. See Appendix for non-GAAP reconciliation

Approximately \$11.5 Billion in Capital Deployment Between 2013 and 2017

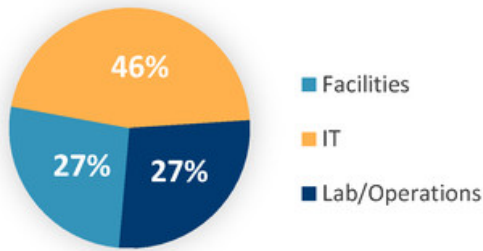


- Covance Acquisition: \$5.6 Billion
- Other Acquisitions: \$2.9 Billion
- Share Repurchase: \$1.7 Billion
- Capital Expenditures: \$1.3 Billion

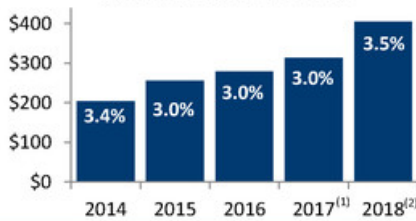
Targeted Capital Expenditures that Strengthen Capabilities and Support Growth



Capital Expenditures (2014 to 2018 Est.)



Capital Expenditures by Year (\$ in Millions; % of Revenue)



- ▶ Investments in 2018 to support future growth include:
 - Capacity and automation for 23andMe collaboration
 - Patient service centers in Walgreens stores
 - Genomics and immunotoxicology capabilities in drug development
 - Expanded capacity in Raritan, New Jersey regional laboratory, medical drug monitoring, and Shanghai drug development facilities
- ▶ Investment in LaunchPad initiatives, such as technology and automation

(1) Percent calculated based on the preliminary restatement of revenue in 2017 related to the Company's adoption of the new revenue recognition accounting standard (ASC 606) effective January 1, 2018. See Appendix for additional details.
 (2) Based on the midpoint of revenue guidance issued on February 6, 2017

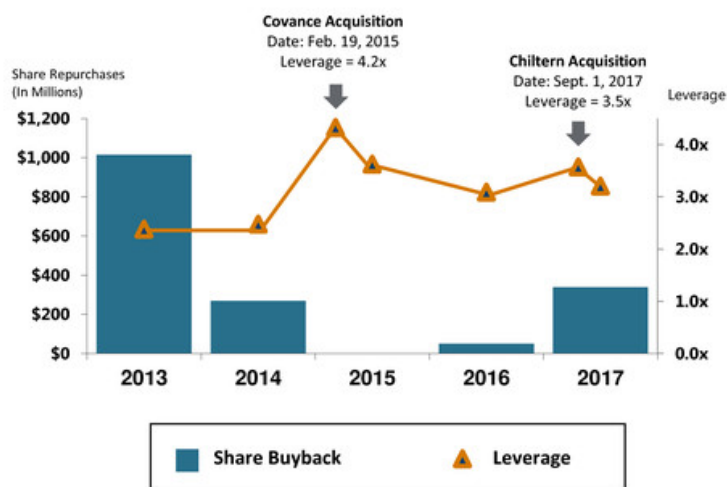
Track Record of Acquisitions that Drive Growth and a Differentiated Offering



Target Acquisition Criteria

- Businesses that leverage our core competencies
- Market leader
- Strong management team
- International presence
- Accretive to earnings and cash flow year 1
- Earn cost of capital by year 3

Strong Balance Sheet Enables Return of Capital to Shareholders



Debt and Leverage:

- Investment grade philosophy with targeted leverage of 2.5x – 3.0x gross debt to EBITDA
- Strong liquidity including \$1 billion in unutilized revolving credit facility
- Attractive debt profile – ~80% is fixed interest rate debt and ~75% of the debt matures in 2022 or later

Share Repurchases:

- Repurchased \$1.7 billion over past five years
- Existing authorization to buyback up to \$407.4 million in shares
- Expect to repurchase shares throughout 2018

Multi-faceted platform for **profitable growth** through organic initiatives, strategic acquisitions, and margin optimization

Track record of **strong and reliable free cash flow**, and **disciplined capital deployment**

Execution of the LabCorp playbook continues to generate **long-term shareholder value**

Appendix



Reconciliation of Non-GAAP Financial Measures



(in millions, except per share data)

	Twelve Months Ended December 31,			
	2014	2015	2016	2017
<u>Adjusted EPS</u>				
Diluted earnings per common share	\$ 5.91	\$ 4.35	\$ 7.02	\$ 12.21
One-time benefit from Tax Cuts and Jobs Act	-	-	-	(5.00)
Restructuring and special items	0.34	2.44	0.64	0.98
Amortization expense	0.55	1.12	1.17	1.41
Adjusted EPS	<u>\$ 6.80</u>	<u>\$ 7.91</u>	<u>\$ 8.83</u>	<u>\$ 9.60</u>
<u>Free Cash Flow:</u>				
Net cash provided by operating activities	\$ 739	\$ 982	\$ 1,176	\$ 1,459
Less: Capital expenditures	(204)	(256)	(279)	(313)
Free cash flow	<u>\$ 536</u>	<u>\$ 727</u>	<u>\$ 897</u>	<u>\$ 1,147</u>

Preliminary Reconciliation for the New Revenue Recognition Accounting Standard (ASC 606)



Effective January 1, 2018, the Company adopted the FASB-issued converged standard on revenue recognition, using the full retrospective method. Although the Company has not completed all of the analysis required to finalize this restatement of revenues and expenses relating to this new standard, the table below presents the Company's current best estimate of the potential financial impact on its two segments' revenue, and is being provided as a reference point for the Company's guidance in 2018. The 2017 calculation is preliminary and will be finalized upon adoption in the first quarter of 2018 and the amounts are therefore subject to change. The Company does not believe the application of the new standard will have any significant impact on previously reported Adjusted Operating Income. However, the change in reported revenue will impact previously reported operating margins as shown in the table provided.

(Dollars in millions)	Twelve Months Ended December 31, 2017 As Reported	Twelve Months Ended December 31, 2017 Preliminary Restatement
LabCorp Diagnostics (1)		
Net Revenue	\$ 7,170.5	\$ 6,858.0
Adjusted Operating Income	\$ 1,446.3	\$ 1,446.3
Adjusted Operating Margin	20.2%	21.1%
Covance Drug Development (2)		
Net Revenue	\$ 3,037.2	\$ 3,562.4
Adjusted Operating Income	\$ 422.4	\$ 425.7
Adjusted Operating Margin	13.9%	11.9%
Consolidated (1) (2)		
Net Revenue	\$ 10,205.9	\$ 10,418.6
Adjusted Segment Operating Income	\$ 1,868.7	\$ 1,872.0
Unallocated corporate expense	\$ (137.4)	\$ (137.4)
Consolidated Adjusted Operating Income	\$ 1,731.3	\$ 1,734.6
Adjusted Operating Margin	17.0%	16.6%

(1) In LabCorp Diagnostics, the impact of the accounting change will reduce revenue and increase margins, as bad debt will be treated as a reduction in revenue rather than selling, general and administrative expense

(2) In Covance Drug Development, the impact of this accounting change will increase revenue and cost of revenue, resulting in lower margins due to the inclusion of investigator fees and other pass-through expenses in both categories

Lunch and Q&A



