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RAYMOND JAMES INSTITUTIONAL INVESTORS CONFERENCE

MARCH 9, 2016 | **ORLANDO, FL**

FORWARD LOOKING STATEMENT

Cautionary Statement Regarding Forward Looking Statements

This presentation contains forward-looking statements including with respect to estimated 2016 guidance and the impact of various factors on operating results. Each of the forward-looking statements is subject to change based on various important factors, including without limitation, competitive actions in the marketplace, adverse actions of governmental and other third-party payers and the results from the Company's acquisition of Covance. Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect LabCorp's operating and financial results is included in the Company's Form 10-K for the year ended December 31, 2015, including in each case under the heading risk factors, and in the Company's other filings with the SEC, as well as in the risk factors included in Covance's filings with the SEC. The information in this presentation should be read in conjunction with a review of the Company's filings with the SEC including the information in the Company's Form 10-K for the year ended December 31, 2015, under the heading MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. The Company assumes no obligation to update any forward-looking information included in this presentation.

Company and Strategic Vision

Strategic Priorities

Financial Strength

World's Leading Healthcare Diagnostics Company

- Provides diagnostic, drug development and technology-enabled solutions for >100 million patient encounters per year
- Leading national clinical laboratory – LabCorp Diagnostics
- Leading Contract Research Organization (CRO) – Covance Drug Development
- >\$8.5B revenue in 2015
- >50,000 employees worldwide
- Experienced management team
- Serves large, growing, fragmented global markets



Corporate Headquarters: Burlington, NC

Leading National Clinical Laboratory

- **>\$6.2B revenue in 2015¹**
- **National network of 39 primary clinical laboratories and approximately 1,700 patient service centers**
- **Offers broad range of 4,700+ clinical, anatomic pathology, genetic and genomic tests**
- **Processes approximately 500,000 patient specimens daily**
- **Serves >220,000 physicians, government agencies, managed care organizations, hospitals, clinical labs and pharmaceutical companies**

Pro Forma Segment Financial Summary ²				
	Year Ended		Change	Constant Currency Change
	2015	2014		
Revenue	\$ 6,211	\$ 5,922	4.9%	5.7%
Adj. O.I.	\$ 1,240	\$ 1,129	9.8%	
Adj. O.I. %	20.0%	19.1%	90 bps	



1. Presented on a pro forma basis as if the acquisition of Covance closed on January 1, 2015
2. Presented on a pro forma basis as if the acquisition of Covance closed on January 1, 2014. Adjusted operating income and margin exclude unallocated corporate expenses, amortization, restructuring and other special items

Leading CRO / Drug Development Services Provider

- **>\$2.6B revenue in 2015¹**
- **Only provider of full spectrum of drug development services**
- **Market leader in early development, central laboratory, and Phase I-IV clinical trial management services**
- **Involved in the development of all of the top 50 drugs on the market³**
- **Collaborated on 87% of the 45 new drugs approved by FDA in 2015, including 100% of the approved oncology drugs**
- **Generates more safety and efficacy data than any other drug development company**

Pro Forma Segment Financial Summary ²				
	Year Ended		Change	Constant Currency Change
	2015	2014		
Revenue	\$ 2,629	\$ 2,611	0.7%	4.3%
Adj. O.I.	\$ 372	\$ 340	9.2%	
Adj. O.I. %	14.1%	13.0%	110 bps	



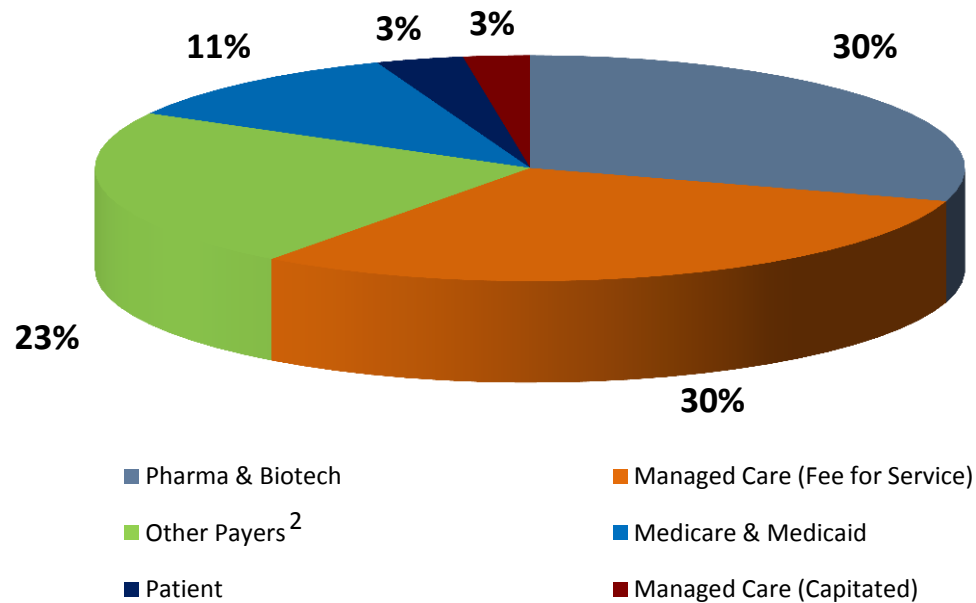
1. Presented on a pro forma basis as if the acquisition of Covance closed on January 1, 2015

2. Presented on a pro forma basis as if the acquisition of Covance closed on January 1, 2014. Adjusted operating income and margin exclude unallocated corporate expenses, amortization, restructuring and other special items

3. Based on 2014 drug sales

DIVERSIFIED REVENUE BASE (2015 PRO FORMA REVENUE¹)

Unique Customer Mix

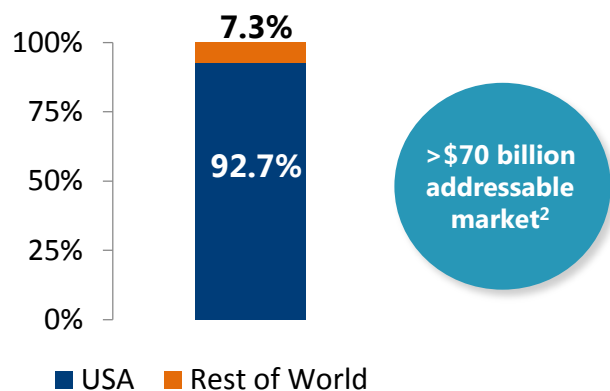


1. Presented on a pro forma basis as if the acquisition of Covance closed on January 1st, 2015

2. Includes physicians and hospitals, Occupational Testing Services, non-U.S. clinical diagnostic laboratory operations, nutritional chemistry and food safety operations, and Beacon LBS

EXPANDED GROWTH OPPORTUNITIES WITH INCREASED GLOBAL PRESENCE

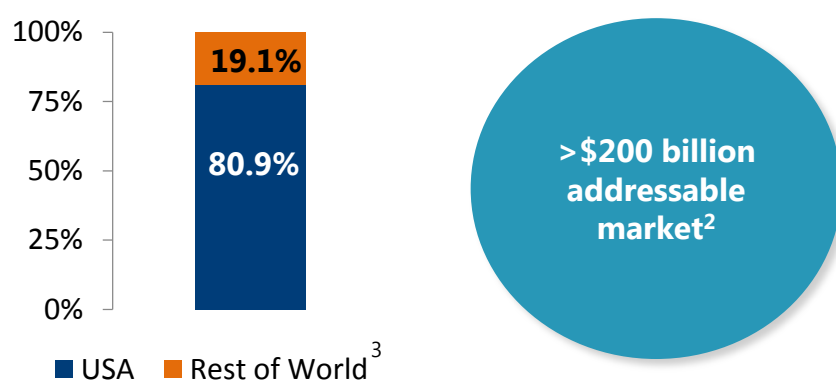
2014 Revenue Distribution¹



Markets Served

North American Clinical Reference Laboratory
Central Laboratory

2015 Revenue Distribution¹



Market Opportunities

Global Clinical Reference Laboratory	Drug Development
Central Laboratory	Market Access
Food Safety and Chemistry	

1. 2014 revenue excludes Covance. 2015 revenue presented on a pro forma basis as if the acquisition of Covance closed on January 1st, 2015.

2. Based on industry publications and company estimates

3. Over 30 currencies in 2015 and no single currency (other than US dollar) accounts for more than 10% of 2015 revenue

OUR STRATEGIC VISION: IMPROVE HEALTH AND IMPROVE LIVES



Organic Growth Through
New Tests, Customers and
Markets

Build / Acquire
Complementary Capabilities

Integrate Diagnostic
Information and Content

**Delivering
World Class Diagnostics**

**Bringing Innovative
Medicines to Patients Faster**

**Changing the Way
Care is Provided**

BeaconLBS
Lab Benefit Solutions

Commercialize
Technology-Enabled
Solutions



Use Tools and Technology to
Improve Success, and Reduce
Time and Cost, of Trials

Build / Acquire
Complementary Capabilities

Develop Scalable Platforms
and Applications for
Customers

**Delivering
World Class Diagnostics**

**Bringing Innovative
Medicines to Patients Faster**

**Changing the Way
Care is Provided**

GROW THE BASE THROUGH CUSTOMER FOCUS AND ENTERPRISE PARTNERSHIPS

Drive Organic Growth to Serve Multiple Customers Across Care Settings

- Increase breadth and scope of partnerships with managed care
- Seek innovative partnerships with government payers
- Increase breadth and depth of partnerships with health systems, integrated delivery networks and physician groups
- Embrace new partners, solutions, payment structures and care models
- Capitalize on new capabilities to increase patient engagement and assist patients in better managing their health



Maintain Leadership in Scientific Innovation

- Introduced over 75 assays in 2015
- Industry-leading position in companion diagnostics (CDx) with differentiated capabilities and unparalleled experience
- Continue expansion of next-generation sequencing capabilities
- Complement LabCorp R&D through acquisitions, licensing and collaborations with leading companies and academic institutions

Preferred Provider of End-to-End Clinical Development and Commercial Lab Testing Solutions as well as Regulatory Support for Innovative CDx

- PD-L1 IHC 22C3 pharmDx (Merck's Keytruda®)
- PD-L1 IHC 28-8 pharmDx (Bristol-Myers Squibb's OPDIVO®)
- cobas® EGFR Mutation Test v2 (AstraZeneca's TAGRISSO™)

Approved and commercialized since October 2015

Keytruda is a registered trademark of Merck Sharp & Dohme Corp., a subsidiary of Merck & Co., Inc.

OPDIVO is a registered trademark of Bristol-Myers Squibb Company.

cobas is a registered trademark of Roche.

TAGRISSO is a trademark of the AstraZeneca group of companies.

CREATE SHAREHOLDER VALUE THROUGH ACQUISITION OF COMPLEMENTARY BUSINESSES

COVANCE
SOLUTIONS MADE REAL™

ESOTERIX
Laboratory Services

ORCHID
CELLMARK

Bode Technology™

Litholink
A LabCorp Company

Target Acquisition Considerations

Attractive market opportunity that leverages our core competencies

Meets financial criteria

Proven technology

Attractive customer set

Global scope

Strong management team

Genzyme Genetics

MEDTOX
LABORATORIES

LIPOSCIENCE

biosciences
monogram

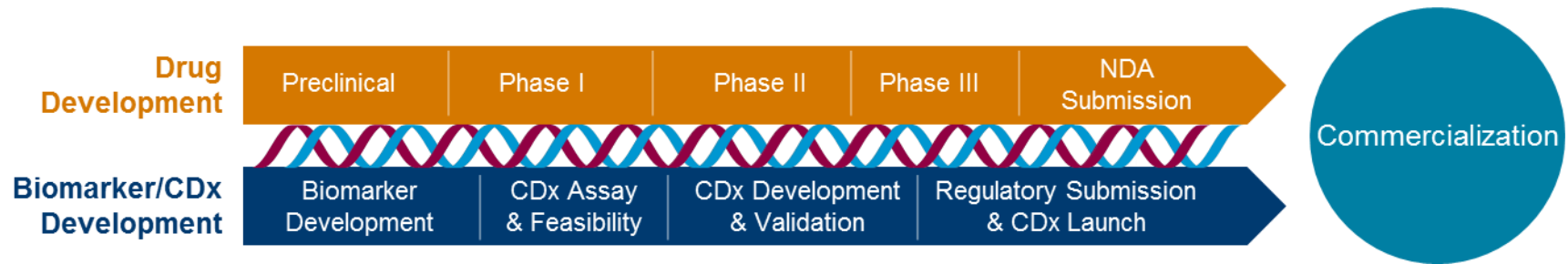
SafeFoods

Delivering
World Class Diagnostics

**Bringing Innovative
Medicines to Patients Faster**

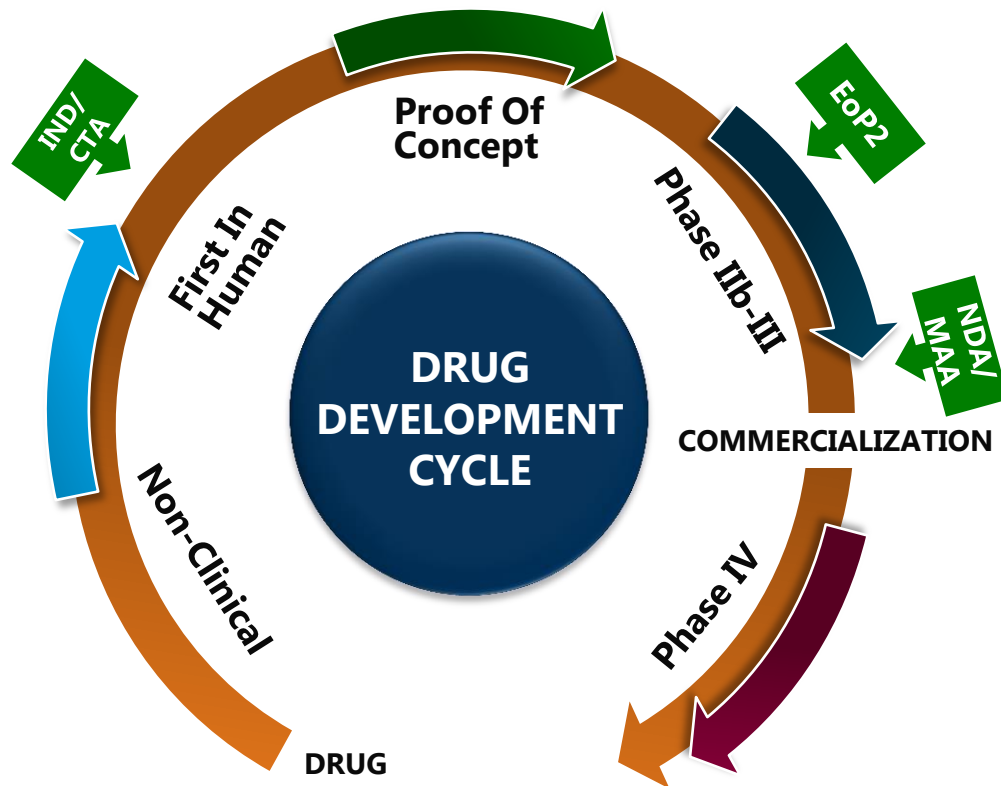
Changing the Way
Care is Provided

DELIVER HIGHEST QUALITY, END-TO-END DRUG DEVELOPMENT SOLUTIONS TO THE MARKET



- **Create therapeutically-driven solutions that span the drug development and testing continuum**
- **Pursue pull-through opportunities and broaden customer segment coverage globally**
- **Leverage scale, cost efficiencies and integrated capabilities to increase market share, reduce development timelines and drive down costs**
- **Continue global leadership in companion diagnostics from discovery to commercialization**
- **Offer commercial solutions to maximize biopharmaceutical partners' asset value**

Help Partners Rethink and Redesign their Global R&D Decisions



Early Development Phase Solutions

- Innovative offering to connect the customers' non-clinical and clinical development goals
- Consistent and focused project team
- Continuity of drug development partnership
- Flexibility to meet partners' needs
- Efficient and cost effective

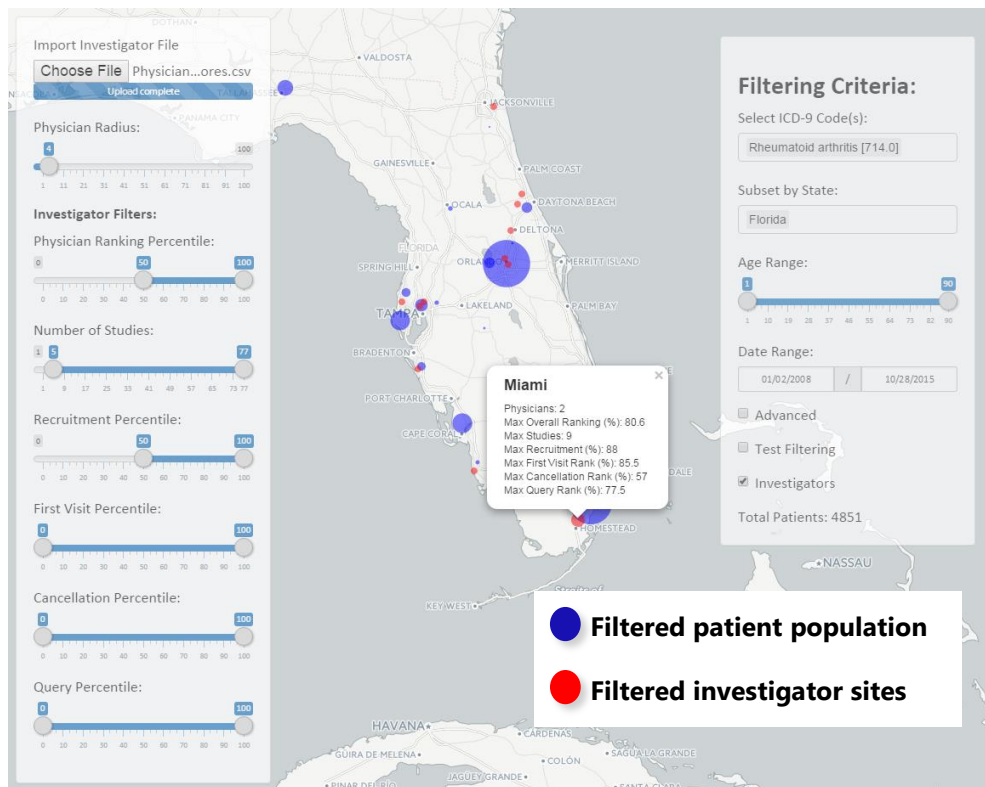
DEPLOY INNOVATIVE TOOLS AND TECHNOLOGY TO ADDRESS PARTNER NEEDS

- **Deliver SaaS platform to replace internally-built clinical IT structures while improving value and insight**
- **Create scientific solutions that accelerate discovery and development of innovative medicines**
- **Lower patient burden and improve patient access to clinical trials**
- **Continue to develop real-world evidence capabilities**



DEVELOP INFORMATICS-DRIVEN SOLUTIONS IN PATIENT RECRUITMENT AND STUDY START UP

Provide Partners with Unique Perspectives and Actionable Insights



- **Health information from >100 million patient encounters annually**
- **Identify desired patient populations and relevant investigator sites**
- **Inform study design**
- **Facilitate faster clinical trial enrollment**

**>\$130 million of new orders won through
the combination of LabCorp patient data
and Covance capabilities**

Number of Studies:

**>30,000 patients since mid-Q4 2015
have consented through our patient portal to
be contacted about future relevant clinical trials**

Delivering
World Class Diagnostics

Bringing Innovative
Medicines to Patients Faster

**Changing the Way
Care is Provided**

BeaconLBS: Appropriate Test, Appropriate Patient, Appropriate Time

- **Decision support tool to guide lab and test selection**
- **Designed to:**
 - **Improve quality of lab services**
 - **Support evidence-based guidelines for patient care**
- **Help payers manage laboratory cost and trend**
- **Integrated into provider workflow**
- **Developed and implemented by collaborative team with extensive laboratory medicine experience**



Innovative Decision Support Tools

- **Programs include:**
 - **Chronic Kidney Disease (CKD)**
 - **Cardiovascular Disease**
 - **Type 2 Diabetes**
 - **Kidney Stones**
 - **Medical Drug Monitoring**
- **Delivered more than 5 million enhanced reports in 2015**
- **Reports provide actionable diagnostic information to change decision making**

Ennis et al. *BMC Nephrology* (2015) 16:163
DOI 10.1186/s12882-015-0159-5



RESEARCH ARTICLE

Open Access



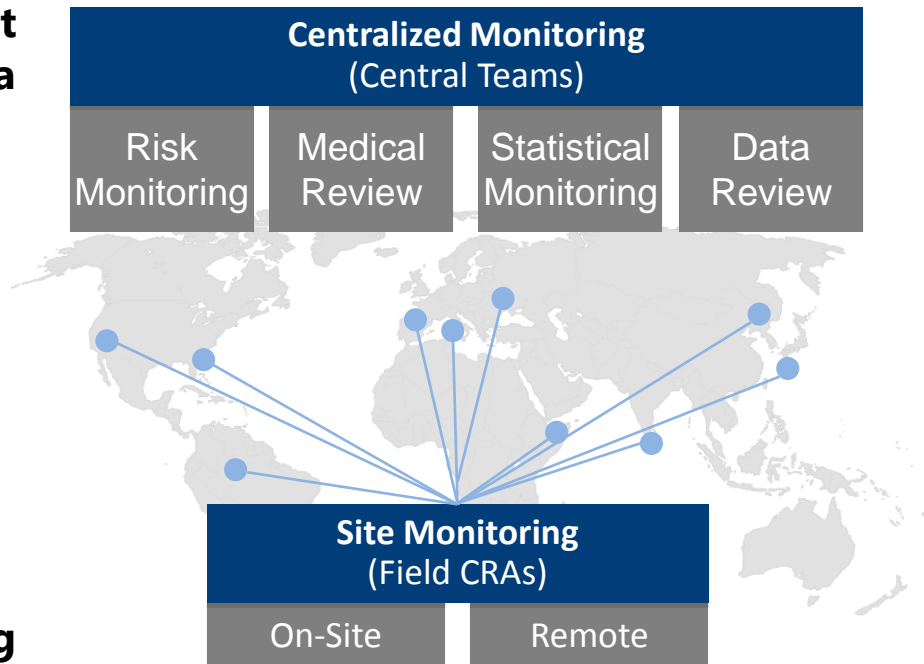
Clinical decision support improves physician guideline adherence for laboratory monitoring of chronic kidney disease: a matched cohort study

Jennifer Ennis^{1†}, Daniel Gillen^{2†}, Arthur Rubenstein^{3†}, Elaine Worcester^{4†}, Mark E. Brecher^{5†}, John Asplin^{1†} and Fredric Coe^{4†}

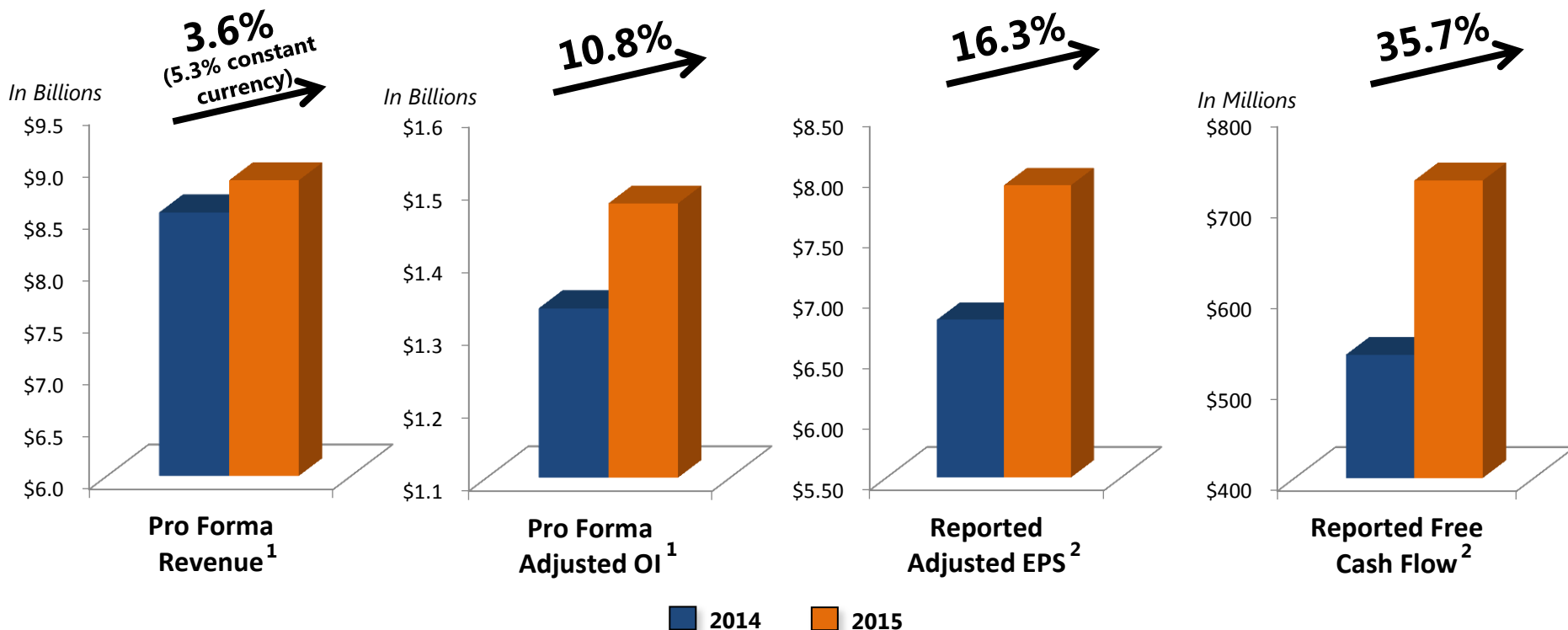
*Physicians receiving the proprietary clinical decision support reports were **29 percent** to **88 percent** more likely to order CKD-related testing in accordance with guidelines than those physicians who did not receive the reports*

Xcellerate[®] Monitoring: Unique Risk-Based Monitoring Tool

- Proactively identify and mitigate risks at the individual site and patient level for a single study or worldwide portfolio
- Designed to:
 - Allow partners to make more informed clinical trial decisions
 - Lower clinical trial execution risk
 - Drive faster results
- Utilizes data visualization capabilities
- Combines traditional on-site monitoring with centralized monitoring
- Applicable for all studies, whether or not managed by Covance



FOCUSED ON PROFITABLE GROWTH



1. Results presented on a pro forma basis as if the acquisition of Covance closed on January 1, 2014. Adjusted operating income excludes amortization, restructuring and other special items. See Appendix for reconciliation.
2. Reported results include Covance as of February 19, 2015; prior to February 19, 2015, results exclude Covance. Adjusted EPS exclude amortization, restructuring and other special items. See Appendix for reconciliation.

2016 FINANCIAL GUIDANCE¹

Excluding the impact of amortization, restructuring and special items, guidance for 2016 is:

	Current Guidance (assumes foreign exchange rates effective as of January 31, 2016)	Implied Constant Currency Revenue Growth
Total net revenue growth:	7.5% – 9.5% ⁽³⁾	8.5% – 10.5%
LabCorp Diagnostics net revenue growth ⁽²⁾ :	3.5% – 5.5% ⁽⁴⁾	4.0% – 6.0%
Covance Drug Development net revenue growth ⁽²⁾ :	2% – 5% ⁽⁵⁾	4.0% – 7.0%
Implied Year-Over-Year Growth		
Adjusted EPS:	\$8.45 – \$8.85	Approximately 7% - 12%
Free cash flow:	\$900 Million – \$950 Million	Approximately 24% - 31%

1. Based on guidance issued on February 18, 2016.

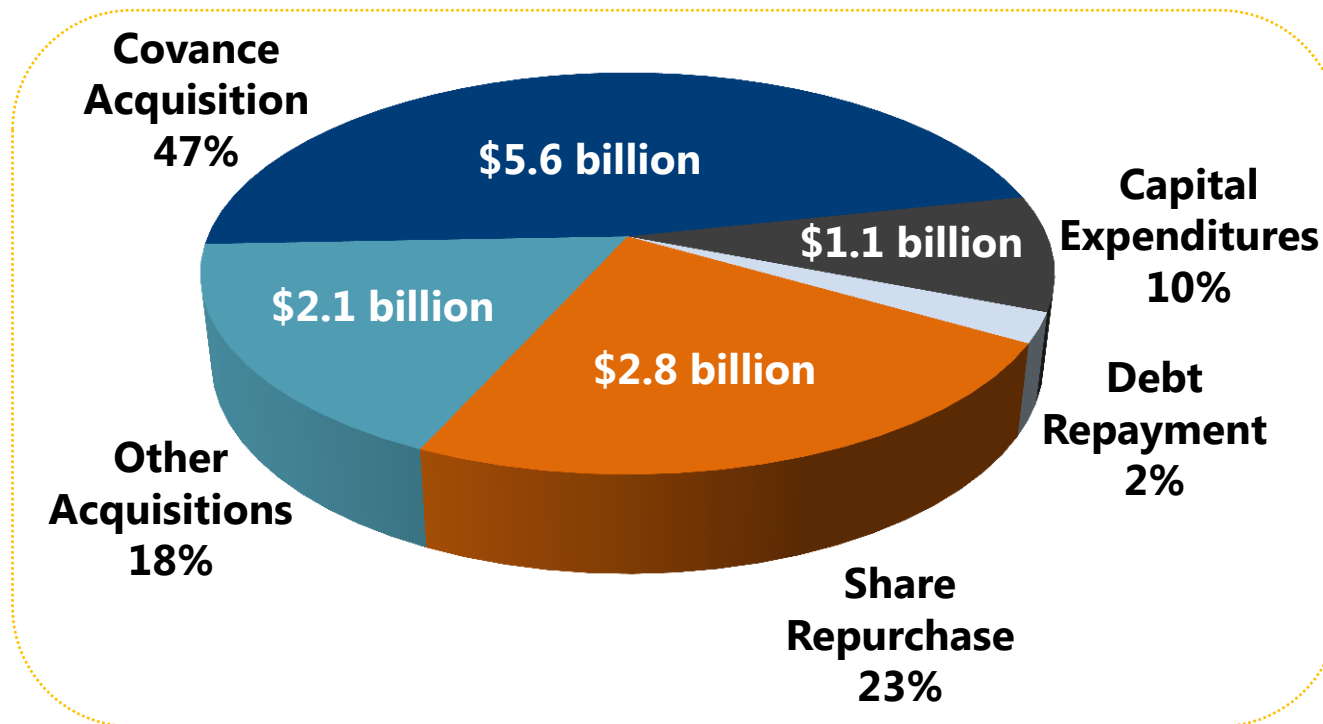
2. Net revenue growth compared to 2015 pro forma segment net revenue.

3. Includes the impact from approximately 100 basis points of negative currency.

4. Includes the impact from approximately 50 basis points of negative currency.

5. Includes the impact from approximately 200 basis points of negative currency

Approximately \$11.9 billion in capital deployment between 2010 and 2015¹



1. Includes cash from operations (approximately \$5.1 billion) as well as debt (approximately \$5.0 billion) and equity (approximately \$1.8 billion) issuances. Excludes mandatory debt repayment.

Key Points

- **Unique business with unique capabilities**
- **Expanded growth opportunities in the US and around the globe**
- **Focus on execution of our strategy to increase shareholder value**





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Appendix

2015 PRO FORMA SEGMENT RESULTS (DOLLARS IN MILLIONS)

Pro forma results assume that the acquisition of Covance closed on January 1, 2014

	<u>Twelve Months Ended 12/31/15</u>	<u>Twelve Months Ended 12/31/14</u>	<u>% Change</u>
Net Revenue			
LabCorp Diagnostics	\$6,210.6	\$5,922.2	4.9%
Covance Drug Development	\$2,628.7	\$2,610.5	0.7%
Total Net Revenue	\$8,839.3	\$8,532.7	3.6%
Adjusted Operating Income^{1, 2}			
LabCorp Diagnostics	\$1,239.8	\$1,129.4	9.8%
Adjusted Operating Margin	20.0%	19.1%	90 bps
Covance Drug Development	\$371.5	\$340.3	9.2%
Adjusted Operating Margin	14.1%	13.0%	110 bps
Unallocated Corporate Expense	(\$134.1)	(\$136.4)	1.7%
Total Adjusted Operating Income	\$1,477.2	\$1,333.3	10.8%
Total Adjusted Operating Margin	16.7%	15.6%	110 bps

1. Adjusted Operating Income excludes amortization, restructuring and special items

2. See Reconciliation of non-GAAP Financial Measures in Appendix

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

**The following consolidated results include Covance as of February 19, 2015;
prior to February 19, 2015, all consolidated results exclude Covance**

LABORATORY CORPORATION OF AMERICA HOLDINGS
Reconciliation of Non-GAAP Financial Measures
(in millions, except per share data)

	Twelve Months Ended December 31,	
	2015	2014
<u>Adjusted Operating Income</u>		
Operating Income	\$ 1,002.9	\$ 910.4
Acquisition-related costs	119.1	-
Restructuring and other special charges	113.9	17.8
Consulting fees and executive transition expenses	25.6	23.4
Settlement costs	12.2	-
Wind-down of minimum volume contract operations	5.7	-
Project LaunchPad system implementation costs	3.0	-
Amortization of intangibles and other assets	164.5	76.7
Adjusted operating income	<u>\$ 1,446.9</u>	<u>\$ 1,028.3</u>
<u>Adjusted EPS</u>		
Diluted earnings per common share	\$ 4.34	\$ 5.91
Restructuring and special items	2.44	0.34
Amortization expense	1.13	0.55
Adjusted EPS	<u>\$ 7.91</u>	<u>\$ 6.80</u>

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

**The following consolidated results include Covance as of February 19, 2015;
prior to February 19, 2015, all consolidated results exclude Covance**

LABORATORY CORPORATION OF AMERICA HOLDINGS
Reconciliation of Non-GAAP Financial Measures
(in millions, except per share data)

	Twelve Months Ended December 31,	
	2015	2014
<u>Free Cash Flow:</u>		
Net cash provided by operating activities	\$ 982.4	\$ 739.0
Less: Capital expenditures	(255.8)	(203.5)
Free cash flow	<u>\$ 726.6</u>	<u>\$ 535.5</u>

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (FOOTNOTES)

1) During the fourth quarter of 2015, the Company recorded net restructuring and special items of \$54.0 million. The charges included \$25.3 million in severance and other personnel costs along with \$17.0 million in facility-related costs associated with facility closures and general integration initiatives. A substantial portion of these costs relates to the planned closure of two Covance Drug Development segment ("CDD") operations that serviced a minimum volume contract that expired on October 31, 2015. In addition, the Company recorded asset impairments of \$11.9 million relating to CDD customer service applications that will no longer be used. The Company reversed previously established reserves of \$0.2 million in unused facility-related costs. The Company incurred additional legal and other costs of \$5.7 million relating to the wind-down of the minimum volume contract operations. The Company also recorded \$10.1 million in consulting expenses relating to fees incurred as part of its Covance integration costs and compensation analysis, along with \$1.1 million in short-term equity retention arrangements relating to the acquisition of Covance and \$0.3 million of accelerated equity compensation relating to the announced retirement of a Company executive (all recorded in selling, general and administrative expenses). During the fourth quarter, the Company paid \$12.2 million in settlement costs and litigation expenses related to the resolution of a federal court putative class action lawsuit. In addition, the Company incurred \$3.0 million of non-capitalized costs associated with the implementation of a major system as part of its Project LaunchPad business process improvement initiative. The after tax impact of these charges decreased net earnings for the quarter ended December 31, 2015, by \$63.2 million and diluted earnings per share by \$0.61 (\$63.2 million divided by 103.2 million shares).

During the first three quarters of 2015, the Company recorded net restructuring and other special charges of \$59.9 million. The charges included \$33.9 million in severance and other personnel costs along with \$12.1 million in costs associated with facility closures and general integration initiatives. The Company reversed previously established reserves of \$0.9 million in unused facility-related costs. In addition, the Company recorded asset impairments of \$14.8 million relating to lab and customer service applications that will no longer be used. The Company also recorded \$15.3 million of consulting expenses relating to fees incurred as part of Project LaunchPad as well as Covance integration costs, along with \$4.3 million in short-term equity retention arrangements relating to the acquisition of Covance (all recorded in selling, general and administrative expenses). In addition, the Company recorded a non-cash loss of \$2.3 million, upon the dissolution of one of its equity investments (recorded in other, net in the accompanying Consolidated Statements of Operations).

During the first quarter of 2015, the Company recorded \$166.0 million of one-time costs associated with its acquisition of Covance. The costs included \$79.5 million of Covance employee equity awards, change in control payments and short-term retention arrangements that were accelerated or triggered by the acquisition transaction (recorded in selling, general and administrative expenses in the accompanying Consolidated Statements of Operations). The acquisition costs also included advisor and legal fees of \$33.9 million (recorded in selling, general and administrative expenses in the accompanying Consolidated Statements of Operations), \$15.2 million of deferred financing fees associated with the Company's bridge loan facility as well as a make-whole payment of \$37.4 million paid to call Covance's private placement debt outstanding at the purchase date (both amounts recorded in interest expense in the accompanying Consolidated Statements of Operations).

The after tax impact of these charges decreased net earnings for the twelve months ended December 31, 2015, by \$245.7 million and diluted earnings per share by \$2.44 (\$245.7 million divided by 100.6 million shares).

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (FOOTNOTES)

2) During the fourth quarter of 2014, the Company recorded net restructuring and special items of \$2.4 million. The charges included \$0.7 million in severance and other personnel costs along with \$1.7 million in facility-related costs associated with facility closures and general integration initiatives.

In addition to these net restructuring charges, the Company recorded \$13.2 million in consulting expenses relating to fees incurred as part of Project LaunchPad as well as legal fees associated with its Covance, Inc. acquisition (all such fees are recorded in selling, general and administrative).

In conjunction with the financing of the Covance transaction, the Company incurred \$4.7 million in bridge financing fees and wrote-off \$1.3 million in deferred financing costs relating to its prior credit agreement which was replaced with a new credit facility. These Covance-related financing costs are recorded in interest expense.

The after tax impact of these combined charges decreased net earnings for the three months ended December 31, 2014, by \$13.3 million and diluted earnings per share by \$0.15 (\$13.3 million divided by 86.3 million shares).

During the first three quarters of 2014, the Company recorded net restructuring and special items of \$15.4 million. The charges included \$9.9 million in severance and other personnel costs along with \$6.6 million in costs associated with facility closures and general integration initiatives. The Company reversed previously established reserves of \$0.4 million in unused severance and \$0.7 million in unused facility-related costs. In addition, the Company recorded \$10.1 million in consulting expenses relating to fees incurred as part of Project LaunchPad as well as legal fees associated with its LipoScience acquisition and one-time CFO transition costs (all such fees are recorded in selling, general and administrative). The after tax impact of these combined charges decreased net earnings for the year ended December 31, 2014, by \$29.1 million and diluted earnings per share by \$0.34 (\$29.1 million divided by 86.4 million shares).

3) The Company continues to grow the business through acquisitions and uses Adjusted EPS Excluding Amortization as a measure of operational performance, growth and shareholder returns. The Company believes adjusting EPS for amortization provides investors with better insight into the operating performance of the business. For the quarters ended December 31, 2015 and 2014, intangible amortization was \$38.3 million and \$15.4 million, respectively (\$26.9 million and \$9.5 million net of tax, respectively) and decreased EPS by \$0.26 (\$26.9 million divided by 103.2 million shares) and \$0.11 (\$9.5 million divided by 86.2 million shares), respectively. For the twelve months ended December 31, 2015 and 2014, intangible amortization was \$164.5 million and \$76.7 million, respectively (\$113.5 million and \$47.3 million net of tax, respectively) and decreased EPS by \$1.13 (\$113.5 million divided by 100.6 million shares) and \$0.55 (\$47.3 million divided by 86.4 million shares), respectively.