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, includingAdjusted 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
Who We Are

LabCorp is a Leading Global Life Sciences Company that is deeply integrated in guiding patient care.

Our Mission is to Improve Health and Improve Lives.

Our Strategic Objectives are to:
- Deliver World-Class Diagnostics
- Bring Innovative Medicines to Patients Faster
- Use Technology to Improve the Delivery of Care
A Sound Foundation Supports the Combination

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

- U.S. Clinical Lab Testing Market ~$80 billion
  - Ex-U.S. Clinical Lab Testing Market ~$100 billion
  - Global Addressable Market ~$200 billion

- Global Addressable Outsourced R&D Spend ~$35 billion

Source: Industry reports and company estimates

1. Includes 12-month estimate of Chiltern revenue on a pro forma 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

**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
2018 Priorities

- 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

<table>
<thead>
<tr>
<th>Reference Laboratory Testing</th>
<th>Outreach Laboratory Testing</th>
<th>Inpatient Laboratory Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAML and its Joint Venture Interests</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mount Sinai Health System</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Novant Health</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Completed 3 marquee transactions in 2017

Streamlining Clinical Studies

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

- **2016**: >$200 million
- **2017**: ~$500 million

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

Consumer Platform

Patients Seen in Denver

LabCorp at Walgreens

- LabCorp PSCs in Walgreens stores are attracting new patients

- 28% Patients new to LabCorp
Creates Long-term Shareholder Value

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

10-Year CAGR: 10%

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.
LabCorp is Well Positioned for Future Growth

- 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
The Drug Development Landscape

Strong Market Trends and Client Demand

Improving regulatory environment

Venture funding remains solid

Strong therapeutic growth, especially in oncology

Significant innovation in emerging biotech segment

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Molecules</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>8,837</td>
</tr>
<tr>
<td>2015</td>
<td>11,197</td>
</tr>
<tr>
<td>2016</td>
<td>12,500</td>
</tr>
<tr>
<td>2017</td>
<td>13,454</td>
</tr>
</tbody>
</table>

Molecule Counts by Client Segment

- Top 20
- Mid-Sized
- Emerging

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Molecules</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
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<tr>
<td>2017</td>
<td>13,454</td>
</tr>
</tbody>
</table>
2017: A Transformative Year
Addressing Challenges and Positioning for Growth

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**

**ADVANTAGES:**

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

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

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

**DATA**

**DISCOVERY**
- Research

**DEVELOPMENT**
- Preclinical
- Phase I
- Phase II
- Phase III

**COMMERCIALIZATION**
- Phase IV
- RWE
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
Empowered patients are searching for treatment alternatives and choosing to participate in clinical studies.

Empowering patients

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

- **LabCorp Patient Data**
  - ~115 million patient encounters annually
  - ~1,900 patient service centers
  - High-quality data, including diagnosis codes, demographics and lab results

- **Protocols / Trial Insights / Clinical Labs Data**
  - Covance supports ~50% of all clinical trials
  - >50 million global patient lab results per year from central lab network

- **Patient Survey / Voice of Patient**
  - >200,000 patients have requested to be notified by Covance about relevant clinical studies; focused on increasing participation rate
  - Obtaining actionable patient insights regarding trial participation

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

Drug Development
- Preclinical
- Phase I
- Phase II
- Phase III
- NDA Submission

Biomarker/CDx Development
- Biomarker Development
- CDx Assay & Feasibility
- CDx Development & Validation
- Regulatory Submission & CDx Launch
- Commercialization
Utilizing Market Leading Assets
As an Example... Central Laboratory Services

Kit Manufacturing
>99.99% Kit Accuracy

Global Logistics
>4.4M kits shipped per year to over 85 countries

Global Capacity
30,000 kit per day capacity

Site Start-Up
>99.4% first supplies delivered on time

Companion Diagnostics
40+ CDx clients >165 projects

Data Management
>250 M tests resulted in the last 5 years

Experienced
Engaged in testing for 50 of 50 best-selling products in 2017

Broad Therapeutic Experience
5,627 Protocols
102 Countries
176,298 Sites
1.8 M Patients

Global Footprint
22 M Samples
57 M Results
98.3% Reportable Results

Biomarker and Specialty Testing
3,000+ Assays
>50 New Validations Annually

Enrollment Advantage
Investigators prefer Covance by 3X over next competitor
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
Reduces the time, cost and risk of specimen based research.

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

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
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
Creating Differentiated Value for our Consumers, Customers, and Employees

Multiple Growth Opportunities
- Health systems and hospitals
- Managed care
- Independent physicians
- Companion diagnostics

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

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

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

Market dynamics are creating opportunity

~$80 billion U.S. Lab Market

Hospital Labs, $47B

LabCorp, $7B

Quest Diagnostics, $8B

Independent Labs, $13B

Physician Office Labs, $4B

Hospital Lab Testing Market

$27B Inpatient & Outpatient (1)

$17B Outreach

$3B Reference

Historically difficult to penetrate

(1) Generally reimbursed as part of a bundled payment
Well-Positioned to Capture the Addressable Market

Addressable Market $37B

Physician Office Labs $4B
Hospital Outreach and Reference Labs $20B
Independent Labs $13B

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

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

**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

**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**
- Physician Groups
- Consumers
- Managed Care
- Health Systems

**Testing Segments**
- Genetics
- Oncology
- Medical Drug Monitoring
- Women’s Health
- Rare and Orphan Diseases

**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
Value-Based Care is an Evolution

Health Systems
Deep, innovative partnerships

Clinicians
Efficient workflow, timely information

Payers
Data sharing, provider collaboration

The transition is complex and iterative
Accurate and timely diagnoses play a critical role
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
Offering Leading, Broad-Based Solutions in Value-Based Care

**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

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

Highly Efficient Lab Provider

Simplification and Standardization

Positioned for value-based care and consumer driven future

Leverage Quality, Programs and Tools

Redeploy Capital, IT, Time

Clinical Trials Participation

Innovation

Clinical Trials Participation

Innovation

Leverage Quality, Programs and Tools

Simplification and Standardization

Highly Efficient Lab Provider

Redeploy Capital, IT, Time
Health Systems Opportunity

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

- **$47B Hospital Labs**
- **$4B Physician Office Labs**
## Multi-faceted relationship with Mount Sinai Health System

<table>
<thead>
<tr>
<th><strong>Outreach Acquisition</strong></th>
<th><strong>Reference Testing</strong></th>
<th><strong>Data for Accountable Care</strong></th>
</tr>
</thead>
</table>
| • Divesture of non-core asset  
  • Gained square footage by reducing infrastructure | • Consolidation of lab partners  
  • Reduces expense, IT, and complexity | • Sharing standardized lab result data to empower population health  
  • Innovative Hepatitis C awareness and management program under development |

<table>
<thead>
<tr>
<th><strong>Academic Collaboration</strong></th>
<th><strong>Clinical Trials</strong></th>
<th><strong>Financial Benefits</strong></th>
</tr>
</thead>
</table>
| • Carved out molecular / genetics lab from acquisition  
  • Support of residency programs | • ↑ number of studies offered by Covance | • Redeploy capital, space, and IT resources  
  • Operations improvement through efficiencies and trials |
Innovation with Health Systems to Help Improve Patient Care

- Mobile phlebotomy increases convenience and efficiency
- Inpatient molecular testing improves care and utilization
- New clinical trials to systems
- Opioid management
Clinically integrated network with 240 physicians
Multiple EHRs, multiple value-based contracts

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
Key Takeaways

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

![Bar chart showing the percentage of FDA approvals for personalized medicines from 2014 to 2017.](#)

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>21%</td>
</tr>
<tr>
<td>2015</td>
<td>28%</td>
</tr>
<tr>
<td>2016</td>
<td>27%</td>
</tr>
<tr>
<td>2017</td>
<td>34%</td>
</tr>
</tbody>
</table>

Two Decades of Experience with CDx Commercialization

- Validation and launch of HerceptTest (1998)
- First commercial launch of EGFR Mutation Analysis (2002)
- Validation and launch of ALK for NSCLC (2006)
- Launch of COBAS EGFR V2 Plasma (2012)
- Launch of Thermo Fisher Oncomine Dx Target Test (2016)
- Validation and launch of BRAF\(^{V600E}\) for melanoma (2017)
- Validation and launch PD-L1 by IHC for nivolumab and pembrolizumab in NSCLC (Covance / LabCorp CDx Facility)
Unmatched Franchise Providing End-to-End Clinical Development and Commercial Lab Testing Solutions

Drug Development

- Preclinical
- Phase I
- Phase II
- Phase III
- NDA Submission

Biomarker/CDx Development

- Biomarker Development
- CDx Assay & Feasibility
- CDx Development & Validation
- Regulatory Submission & CDx Launch

► 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
Two CDx Solutions Enable Flexible Collaboration with Customers

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

**IVD Pathway**
- Pharma
- CDx
- IVD
- CRO

**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
Strong Demand for Companion Diagnostics Will Drive Profitable Revenue Growth

CDx-Related Net Orders ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$55</td>
<td>$106</td>
<td>$244</td>
</tr>
</tbody>
</table>

CDx-Related Backlog ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$114</td>
<td>$153</td>
<td>$300</td>
</tr>
</tbody>
</table>
For a recently approved immuno-oncology therapy, Covance and LabCorp Diagnostics collaborated to provide five distinct drug development services:

- **Prepared drug to go into man (first in human dosing):** Covance BioPharm CMC assisted in the manufacture and qualification of drug lots.

- **PK / PD support in early Phase I studies:** Covance pre-clinical pharmacokinetic and pharmacodynamic work.

- **Biomarker evaluation to enroll patients in pivotal clinical trials:** Covance Central Lab expertise supporting targeted clinical trial participants.

- **Commercialized assay development:** LabCorp Diagnostics ensured that the diagnostic was prepared and commercially available simultaneous with the drug’s launch.

- **Post-approval CMC to verify quality of the manufactured product for its intended audience.**

---

*Demonstration of end-to-end capabilities that are a differentiator in Companion Diagnostics*
### Capitalizing on Multiple CDx Growth Drivers

<table>
<thead>
<tr>
<th>Attractive expansion of client base – collaborating with mix of large pharma, emerging pharma and biotech clients</th>
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<tbody>
<tr>
<td>Technological advancements enabled by multiplexing, such as Next Generation Sequencing, Gene Expression Profiling, and Proteomics</td>
</tr>
<tr>
<td>Interest in and use of the single site PMA regulatory approach drives improvements in efficiency, flexibility and cost</td>
</tr>
<tr>
<td>Comprehensive commercial strategy, including global CDx partnerships</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Service</th>
<th>Physicians / Health Systems</th>
<th>Consumers</th>
<th>Payers / Managed Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guidance on Test Selection</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Placement of Electronic Orders (Portal and EMR)</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile Optimized Reservations</td>
<td></td>
<td>●</td>
<td></td>
</tr>
<tr>
<td>Multi-Channel Check-In</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Delivery of Electronic Test Reports (Portal and EMR)</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Post-Analytical Clinical Decision Support</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population Health (Data Feeds and Tools)</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Test Result Trending</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Client Supplies Ordering</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Invoice Payment</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Hospital Reporting</td>
<td>●</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payer Reporting</td>
<td>●</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Power of the LabCorp Data for Trial Design, Site Selection, and Patient Recruitment

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
Power of the Xcellerate Investigator Database

Covance supports ~50% of all clinical trials

Investigator Performance Database

Number of Patients
Date of First Patient In
Quality
Lab Cancellations and Queries

> 175,000 unique investigators
> 15,000 unique protocols

> 175,000 unique investigators
> 15,000 unique protocols
Covance Value Proposition
Exceeding Recruitment Goals for a Global Multi-Study Registration Program

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
31% more patients/site/month
75% more high-performing sites
41% fewer non-performing sites
Understanding the Impact of Study Design on the Available Patient Pool

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 >= 1.5x10^9/L and Platelet >=100x10^9/L
13,552 with Hemoglobin >= 8.5g/dL and Lymphocyte >500 cells/uL
13,516 with Total WBC >=3.0 x 10^9/L and Serum Creatine <=2xULN
13,227 with Alk Phos <=2xULN and ALT <=2xULN
12,980 with AST <=2xULN and Bilirubin <=3xULN

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

75% reduction
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

<table>
<thead>
<tr>
<th># Active Studies</th>
<th># Investigators</th>
<th>Patients Per Investigator</th>
</tr>
</thead>
<tbody>
<tr>
<td>9+</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>5-8</td>
<td>63</td>
<td>33</td>
</tr>
<tr>
<td>4</td>
<td>123</td>
<td>87</td>
</tr>
<tr>
<td>2-3</td>
<td>169</td>
<td>15</td>
</tr>
<tr>
<td>1</td>
<td>644</td>
<td>10</td>
</tr>
<tr>
<td>0</td>
<td>27</td>
<td>11</td>
</tr>
</tbody>
</table>
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
LabCorp/Covance Value Proposition
Protocol Design to Maximize Patient Enrollment Opportunity

CLIENT CHALLENGE

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

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

UNIQUE SOLUTIONS

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
LabCorp/Covance Value Proposition
Rescued Patient Enrollment for a Study of a Rare Mutation

CLIENT CHALLENGE

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

Difficulty identifying available sites as landscape changed rapidly driving increased competition

Pharma’s preferred sites were unavailable

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

UNIQUE SOLUTIONS

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

>150 Million patients
LabCorp/Covance Value Proposition
Piloting a Virtual Real World Evidence Study

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

65
LabCorp Patient Service Centers in the Pilot

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
Key Takeaways

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

<table>
<thead>
<tr>
<th>Who is involved in the decision on where to get your lab testing</th>
<th>2017 LabCorp Consumer Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e.g. hospital lab vs. third-party commercial lab)</td>
<td>N=1,500 MOE +/- 2.5%</td>
</tr>
<tr>
<td>My doctor</td>
<td></td>
</tr>
<tr>
<td>Me</td>
<td></td>
</tr>
<tr>
<td>My insurance company</td>
<td></td>
</tr>
<tr>
<td>My employer</td>
<td></td>
</tr>
<tr>
<td>Family member/friend</td>
<td></td>
</tr>
<tr>
<td>Not sure</td>
<td>44%</td>
</tr>
<tr>
<td>No Influence</td>
<td>36%</td>
</tr>
<tr>
<td>Influence</td>
<td>17%</td>
</tr>
<tr>
<td>Influence</td>
<td>23%</td>
</tr>
<tr>
<td>Influence</td>
<td>30%</td>
</tr>
<tr>
<td>Influence</td>
<td>28%</td>
</tr>
<tr>
<td>Influence</td>
<td>33%</td>
</tr>
<tr>
<td>Influence</td>
<td>33%</td>
</tr>
<tr>
<td>Influence</td>
<td>7%</td>
</tr>
<tr>
<td>Influence</td>
<td>84%</td>
</tr>
<tr>
<td>Influence</td>
<td>84%</td>
</tr>
<tr>
<td>Influence</td>
<td>10%</td>
</tr>
<tr>
<td>Influence</td>
<td>2%</td>
</tr>
</tbody>
</table>

2017 LabCorp Consumer Study
N=1,500
MOE +/- 2.5%
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.”
Consumer Engagement is a Priority

- 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
Patient Out-of-Pocket Cost Estimates

- 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.
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 at Walgreens

LabCorp PSCs in Walgreens stores are attracting new patients

% of patients seen new to LabCorp

- LabCorp at Walgreens PSCs: 28%
- Comparable LabCorp PSCs: 18%

0% 10% 20% 30%
Meeting Consumers Where They Want to be Met

- Consumer genetics
- Telemedicine
- Home health
Moving Reliable Self-Collected Testing to the Home
Key Takeaways

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
The LabCorp Playbook: Delivering Long-Term Shareholder Value

Revenue Growth

Margin Optimization

EPS Growth

Strong Cash Flow

Disciplined Capital Deployment

Return Capital to Shareholders

Capital Expenditures and Strategic Acquisitions

Capital Expenditures and LaunchPad Initiatives
Track Record of Accelerating Growth

**Revenue**

- **2014**: $6.0
- **2015**: $8.5
- **2016**: $9.4
- **2017**: $10.4
- **2018**: $11.5

**Adjusted EPS**

- **2014**: $(3)$
- **2015**: $2.3
- **2016**: $6.8
- **2017**: $7.91
- **2018**: $8.83

CAGR: 14%

2018 Guidance: Midpoint 10.5%

**Free Cash Flow**

- **2014**: $536
- **2015**: $727
- **2016**: $897
- **2017**: $1,147
- **2018**: $1,150

2018 Guidance: Midpoint

---

(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
# 2018 Guidance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>LabCorp Diagnostics Revenue Growth (^{(1)})</td>
<td>3.0% to 5.0%</td>
</tr>
<tr>
<td>Covance Drug Development Revenue Growth (^{(1)})</td>
<td>20.0% to 24.0%</td>
</tr>
<tr>
<td>Total Revenue Growth (^{(1)})</td>
<td>9.5% to 11.5%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>25%</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>$11.30 to $11.70</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$1.1 to $1.2 Billion</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>3.5% of Revenue</td>
</tr>
</tbody>
</table>

---

\(^{(1)}\) 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.
Adjusted EPS Guidance Bridge (1)

2018 Adjusted EPS Guidance Bridge (1)

2016 | 2017 | Benefit from Lower Tax Rate | Impact from PAMA Implementation | Operating Performance | 2018

$8.83 | $9.60 | $1.30 | ($0.50) | $0.90 - $1.30 | $11.30 - $11.70

9% - 14% adjusted EPS growth in 2018 excluding the impact from the lower tax rate and implementation of PAMA

(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.
Disciplined Capital Deployment to Build Shareholder Value

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

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

Capital Expenditures (2014 to 2018 Est.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Facilities</th>
<th>IT</th>
<th>Lab/Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>46%</td>
<td>27%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Capital Expenditures by Year

($ in Millions; % of Revenue)

- 2014: 3.4%
- 2015: 3.0%
- 2016: 3.0%
- 2017: 3.0%
- 2018: 3.5%

(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
Key Takeaways

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)

<table>
<thead>
<tr>
<th>Adjusted EPS</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted earnings per common share</td>
<td>$5.91</td>
<td>$4.35</td>
<td>$7.02</td>
<td>$12.21</td>
</tr>
<tr>
<td>One-time benefit from Tax Cuts and Jobs Act</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5.00)</td>
</tr>
<tr>
<td>Restructuring and special items</td>
<td>0.34</td>
<td>2.44</td>
<td>0.64</td>
<td>0.98</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>0.55</td>
<td>1.12</td>
<td>1.17</td>
<td>1.41</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>$6.80</td>
<td>$7.91</td>
<td>$8.83</td>
<td>$9.60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Free Cash Flow:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$739</td>
<td>$982</td>
<td>$1,176</td>
<td>$1,459</td>
</tr>
<tr>
<td>Less: Capital expenditures</td>
<td>(204)</td>
<td>(256)</td>
<td>(279)</td>
<td>(313)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$536</td>
<td>$727</td>
<td>$897</td>
<td>$1,147</td>
</tr>
</tbody>
</table>

Twelve Months Ended December 31,
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.

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Twelve Months Ended December 31, 2017</th>
<th>Twelve Months Ended December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>PreliminaryRestatement</td>
</tr>
<tr>
<td><strong>LabCorp Diagnostics (1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$7,170.5</td>
<td>$6,858.0</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>$1,446.3</td>
<td>$1,446.3</td>
</tr>
<tr>
<td>Adjusted Operating Margin</td>
<td>20.2%</td>
<td>21.1%</td>
</tr>
<tr>
<td><strong>Covance Drug Development (2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$3,037.2</td>
<td>$3,562.4</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>$422.4</td>
<td>$425.7</td>
</tr>
<tr>
<td>Adjusted Operating Margin</td>
<td>13.9%</td>
<td>11.9%</td>
</tr>
<tr>
<td><strong>Consolidated (1)(2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$10,205.9</td>
<td>$10,418.6</td>
</tr>
<tr>
<td>Adjusted Segment Operating Income</td>
<td>$1,868.7</td>
<td>$1,872.0</td>
</tr>
<tr>
<td>Unallocated corporate expense</td>
<td>$(137.4)</td>
<td>$(137.4)</td>
</tr>
<tr>
<td>Consolidated Adjusted Operating Income</td>
<td>$1,731.3</td>
<td>$1,734.6</td>
</tr>
<tr>
<td>Adjusted Operating Margin</td>
<td>17.0%</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

(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