



2023 Active-Passive Investor Summit

October 2023

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Fortrea Overview

Fortrea Holdings Inc. (“Fortrea” or the “Company”) is a global contract research organization (“CRO”).

Fortrea Financial Profile

\$4 Billion

Enterprise Value⁽¹⁾

12x

Enterprise Value / FY24 EBITDA⁽²⁾



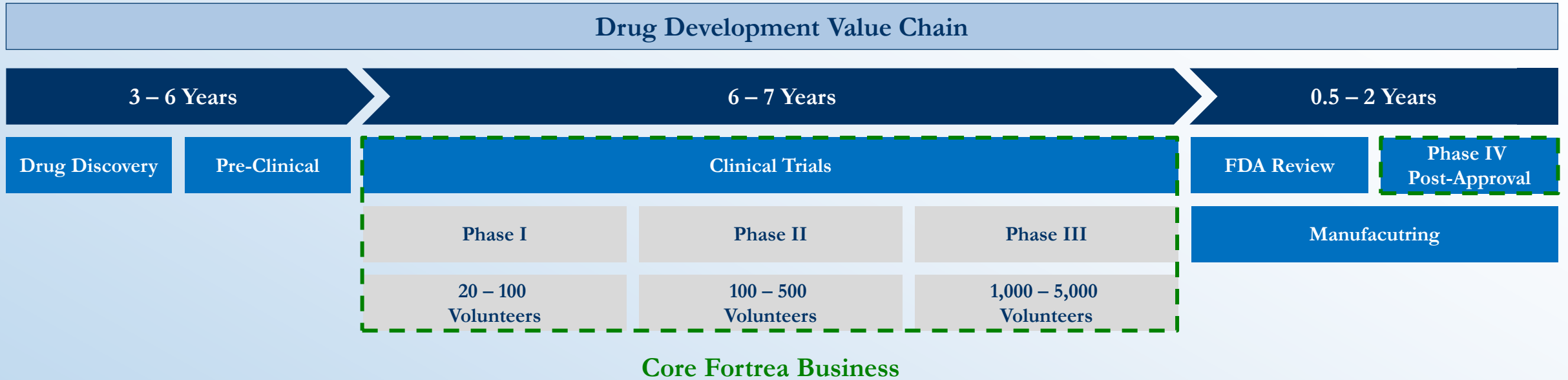
Enabling Services: 9%⁽³⁾



Clinical Services: 91%⁽³⁾

Fortrea is a large scale and global contract research organization.

What Exactly is a Contract Research Organization?



CROs play a critical role in the biopharma value chain.

Scale and Global Presence Enhance CROs' Compelling Value Proposition

Customer Pain Points vs. CRO Value Proposition

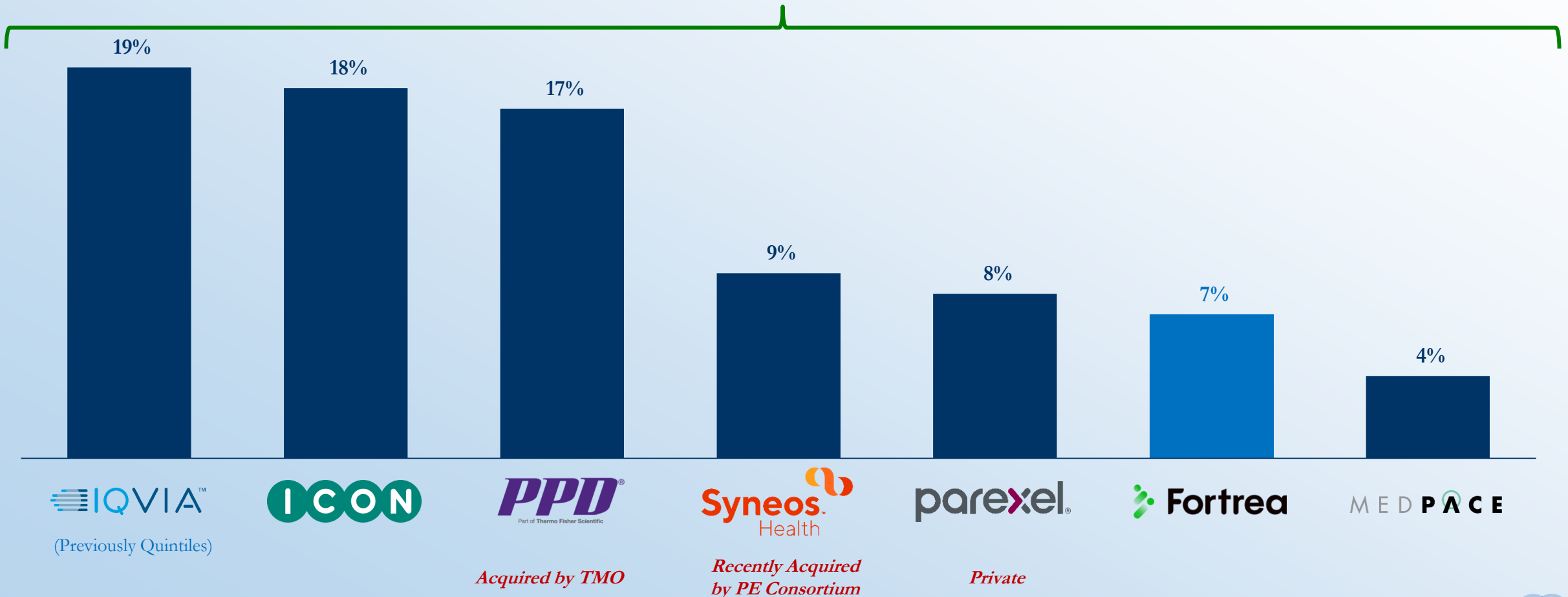
Biopharma Customer Challenges	Do CROs Help?	Does CRO Scale Matter?
Patient Recruitment / Retention in Clinical Trials	✓	✓
Increasing Complexity of Clinical Trials	✓	✓
Maximizing Asset Value / ROI	✓	✓
Talent / Staff Shortages	✓	✓
Keeping Up With Technology and Innovation	✓	✓
Elongated Study Startup Time	✓	✓
Patient Diversity	✓	✓
Research Site Burden	✓	✓

We believe large scale and global CROs will disproportionately benefit from industry growth

The CRO Industry is Highly Concentrated Due to the Competitive Advantages of Scale

CRO Market Share Breakdown

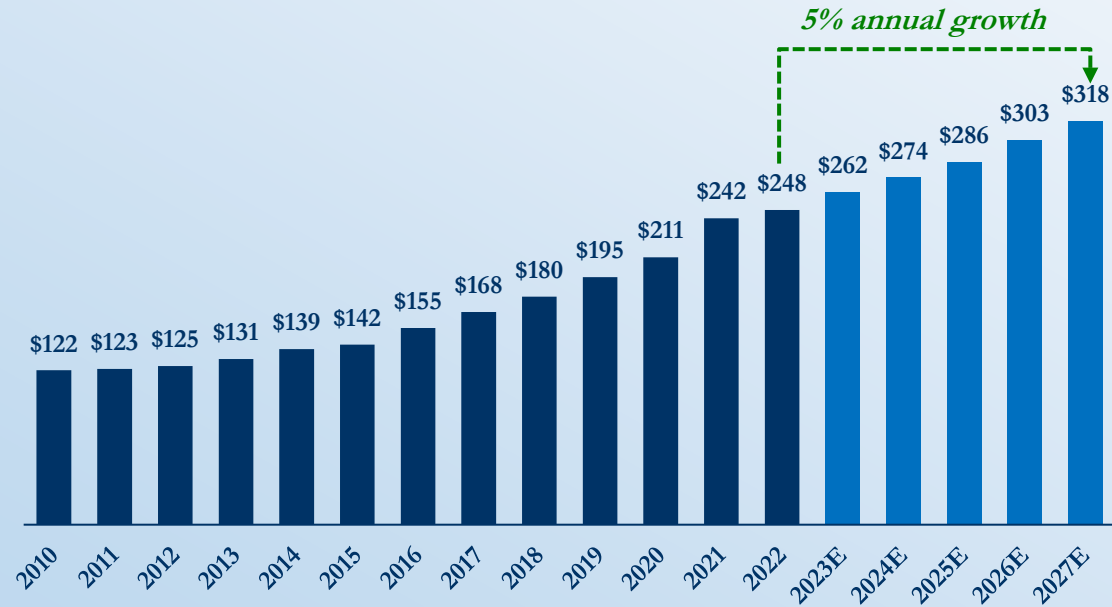
Top 7 CROs control over 80% of the CRO market



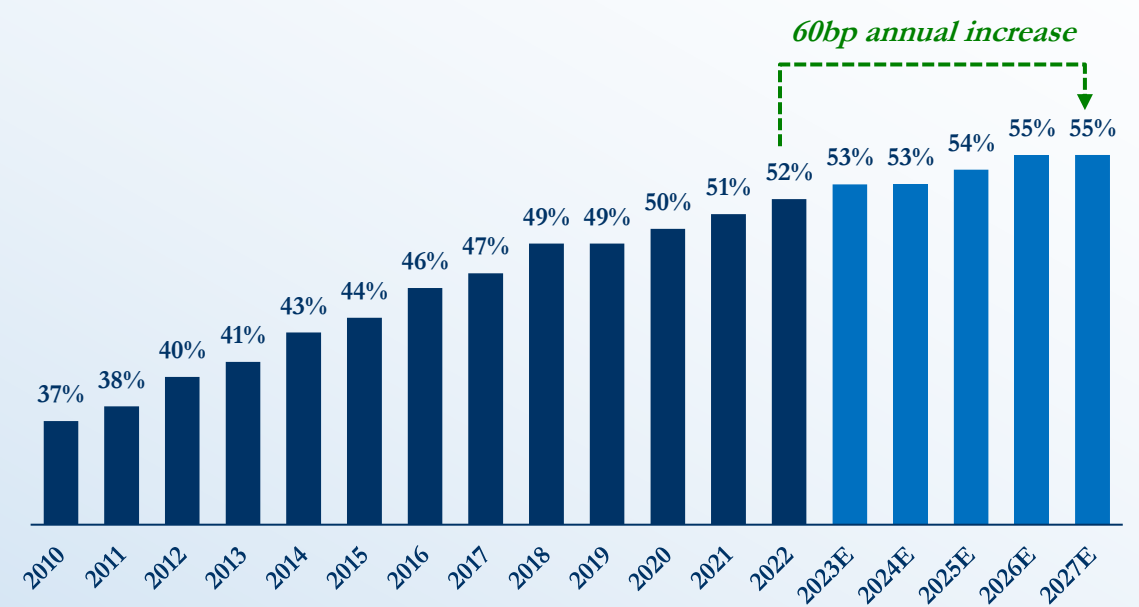
We Believe CROs Operate In a High-Quality Industry That Is Poised for Long-Term Growth

Biopharma R&D Spending

(\$ in billions)



CRO Outsource Penetration Rates

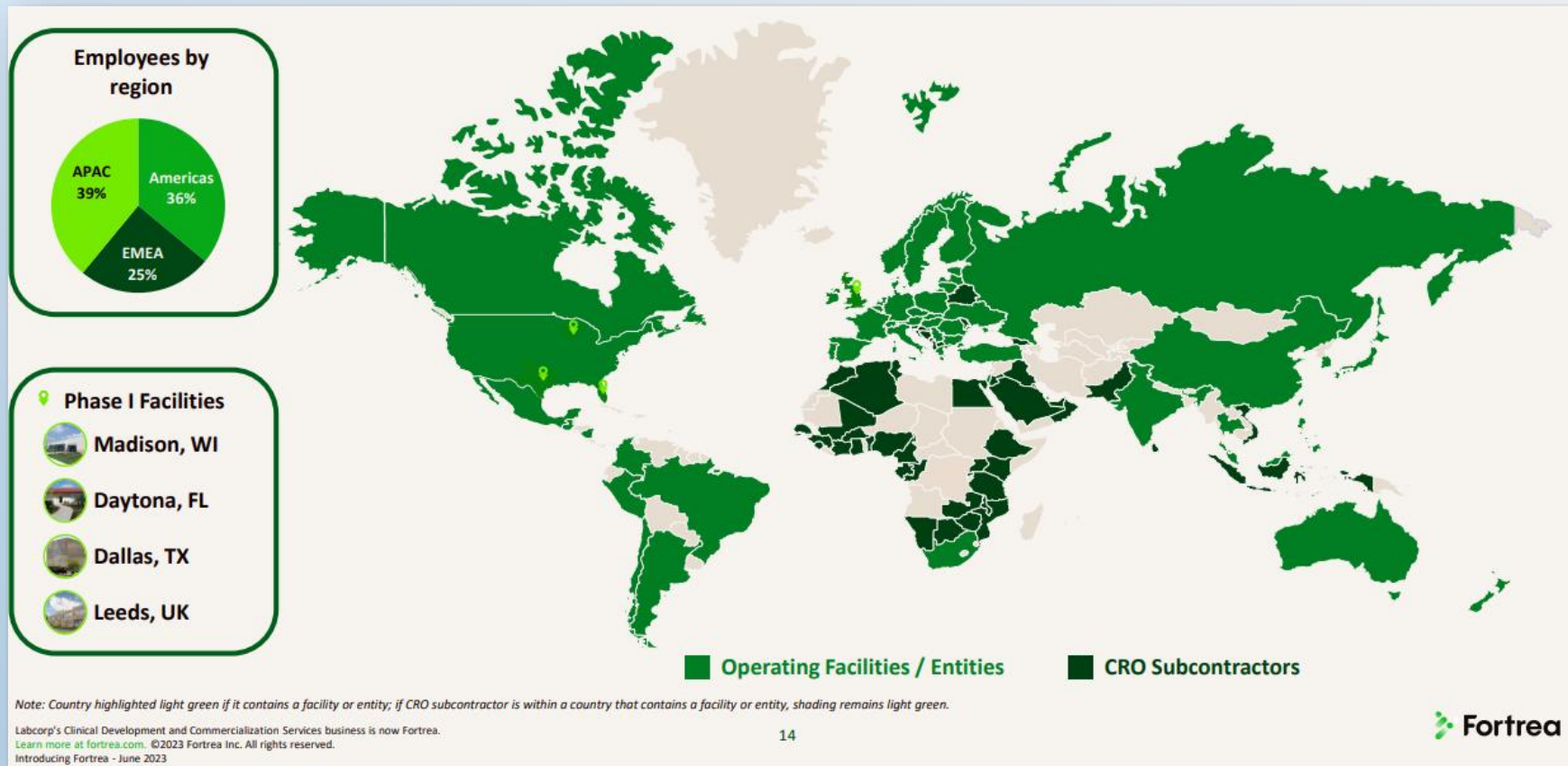


The CRO market is expected to grow ~7% per year from 2022 through 2027

We believe the CRO industry is poised to benefit from secular tailwinds that will drive durable growth.

Within the CRO Industry, We Believe Fortrea Is an Attractive Investment Opportunity

Fortrea Is a Large Scale CRO with a Global Presence Spanning Over 90 Countries



90+ Countries

20+ Therapeutic Areas

~21,000 Global Staff

Over 5,000 Trials Over the Past Five Years

Fortrea Was Recently Spun-Out LabCorp's Drug Development Business

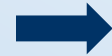
Fortrea Corporate History

1997 – 2015

2015 – 2023

2023 – Present

COVANCE[®]



labcorp
Drug Development



Fortrea

Central Lab

Pre-Clinical

Phase I-IV Clinical Development

Central Lab

Pre-Clinical

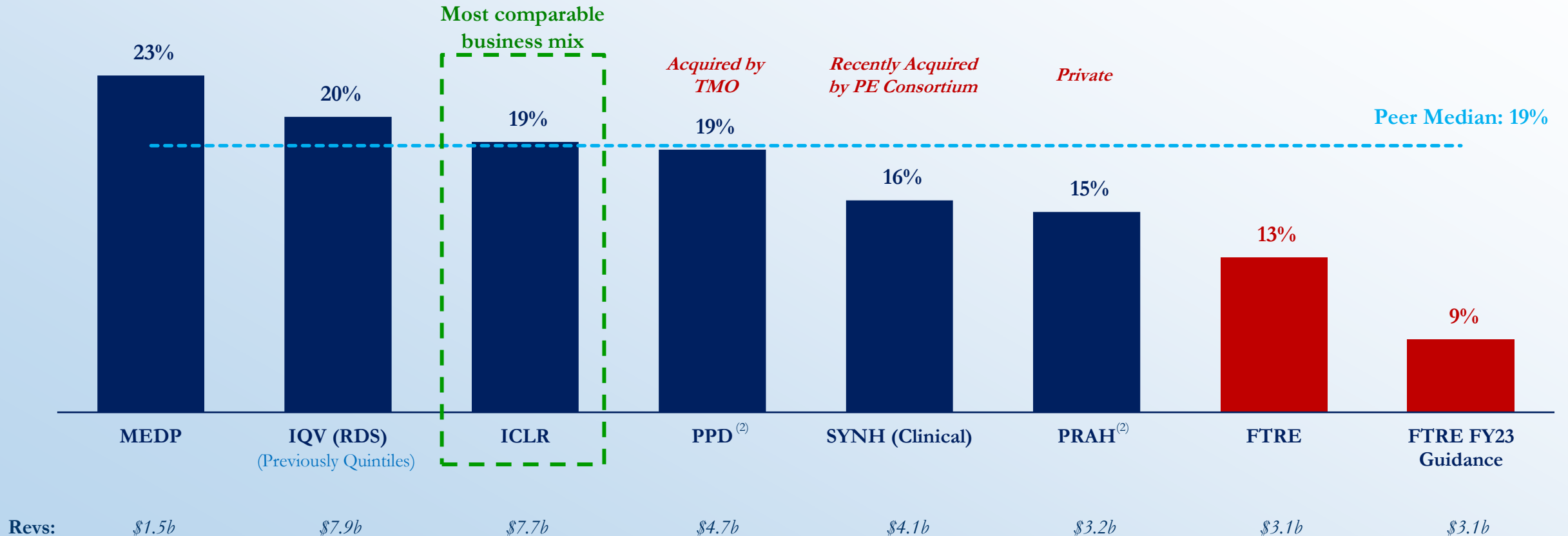
Phase I-IV Clinical Development

LabCorp has retained the Central Lab
and Pre-Clinical businesses

Phase I-IV Clinical Development

Despite Global Reach and Scale, Fortrea's Adjusted EBITDA Margins Meaningfully Lag Its Peers

FY22 Adjusted EBITDA Margin Comparison: Fortrea vs. CRO Peers⁽¹⁾

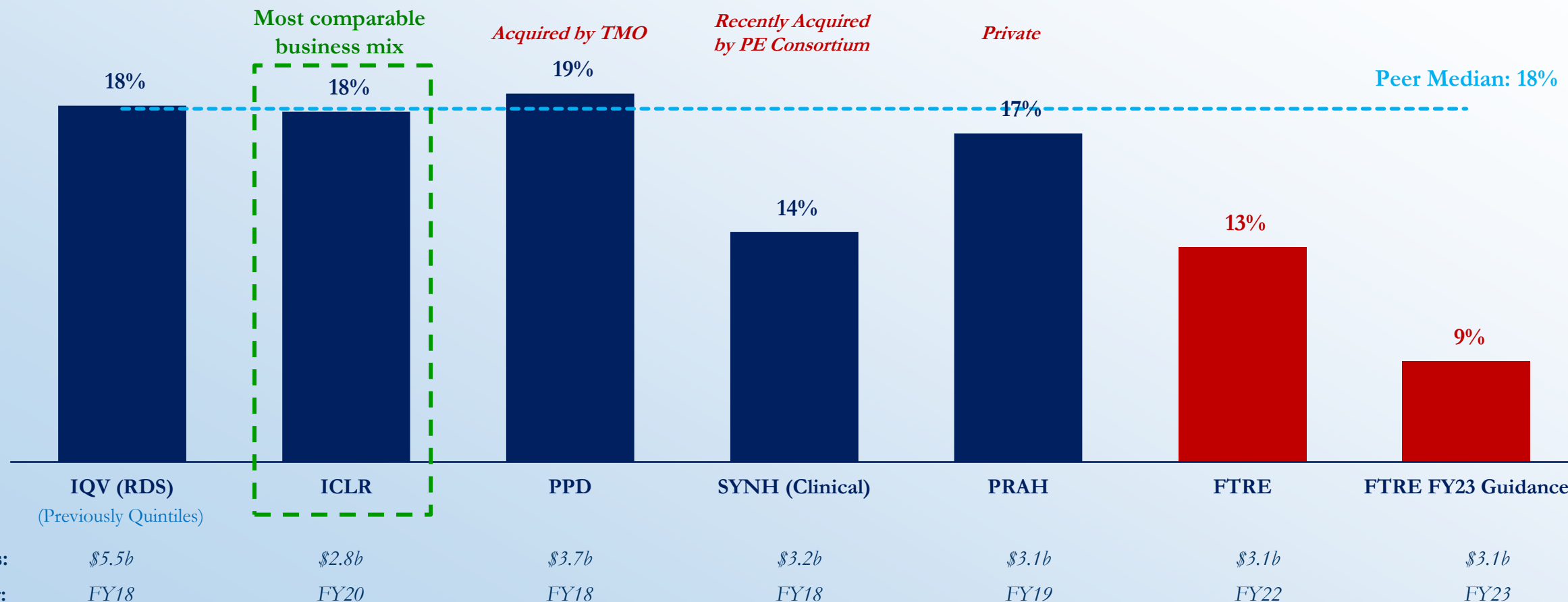


Fortrea's adjusted EBITDA margins are well below the peer median.

Source: Public company filings. Starboard has identified the peers as the relevant peer set for comparing FTRE's metrics. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included. (1) Reflects Starboard estimates and adjustments. (2) FY20 Adj. EBITDA Margins (last year as a standalone public company).

Fortrea's Margins Also Lag Peers When Adjusted for Scale

Adjusted EBITDA Margin Comparison: Fortrea vs. CRO Peers at Most Comparable Scales⁽¹⁾⁽²⁾

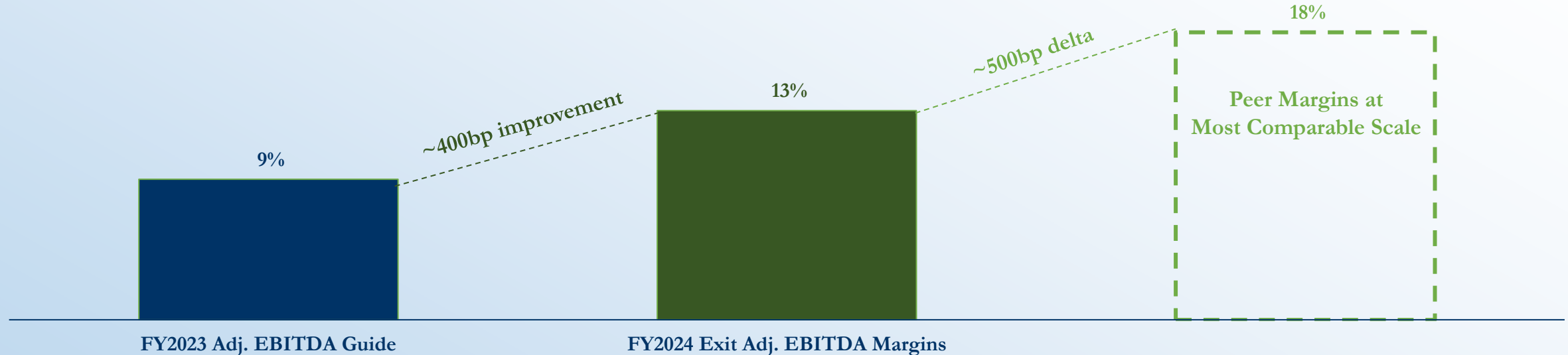


Even when adjusted for scale, Fortrea's adjusted EBITDA margins are well below the peer median.

Source: Public company filings. Starboard has identified the peers as the relevant peer set for comparing FTRE's metrics. Starboard believes these provide appropriate peer comparisons. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included. (1) Represents peer margins at closest revenue scale to FY22 Fortrea since the adoption of ASC 606. Excludes MEDP given considerably smaller revenue scale. (2) Reflects Starboard estimates and adjustments.

Fortrea Management Is Acutely Focused on Improving Its Margins

Fortrea Adjusted EBITDA Margin Progression



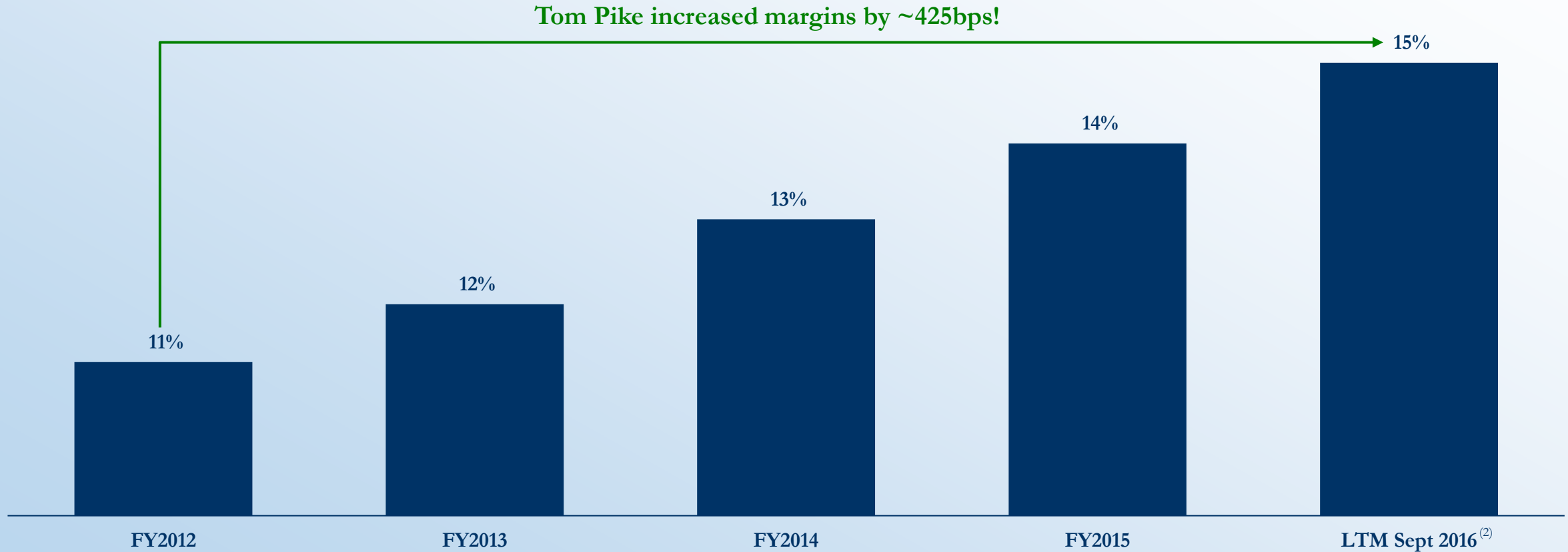
Tom Pike
President and CEO

“We will get our financial house in order. **I have seen other CROs and there's nothing in pricing or operations-wise, that's unusual or concerning here.** This is a disciplined operations organization that can deliver programs with quality.. In general, what our goal is **here 2024 is a year that we would like to return to the kind of performance you saw in 2022 by the time we exit the year. And then on top of that, as we exit the TSAs, we'd like to start moving toward those industry benchmarks of our competitors.** I think we publicly said there are a couple of competitors who have a business mix, it's a little bit more like ours, and we would go ahead and target those over time.”

Management believes it can return to FY22 profitability by the end of FY24 and move toward peer margin levels thereafter.

Fortrea's CEO, Tom Pike, Has a Track Record of Improving CRO Profitability...

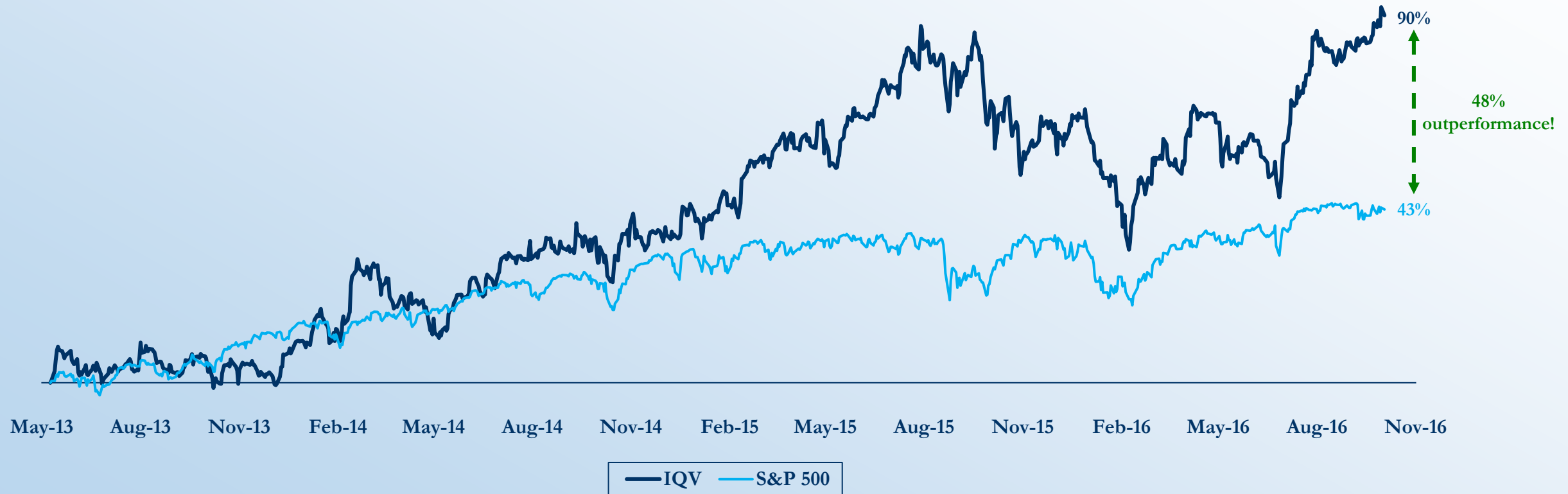
IQVIA (fka Quintiles) Adjusted EBITDA Margins Under Tom Pike⁽¹⁾



We believe Tom Pike is well suited to improve Fortrea's profitability.

... And Creating Substantial Value for Shareholders

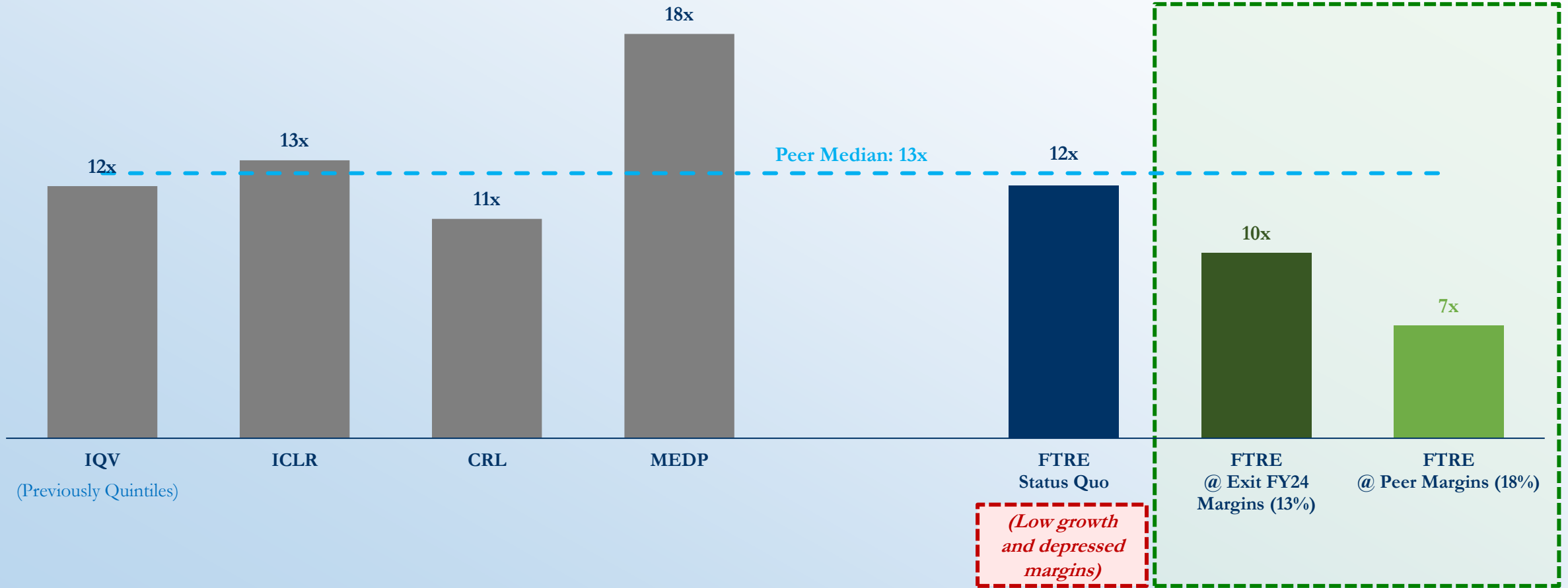
IQVIA (fka Quintiles) Total Shareholder Returns Under Tom Pike⁽¹⁾



We believe Tom Pike will create considerable shareholder value at Fortrea.

Fortrea Trades at an Attractive Valuation Relative to Peers Considering the Margin Improvement Potential

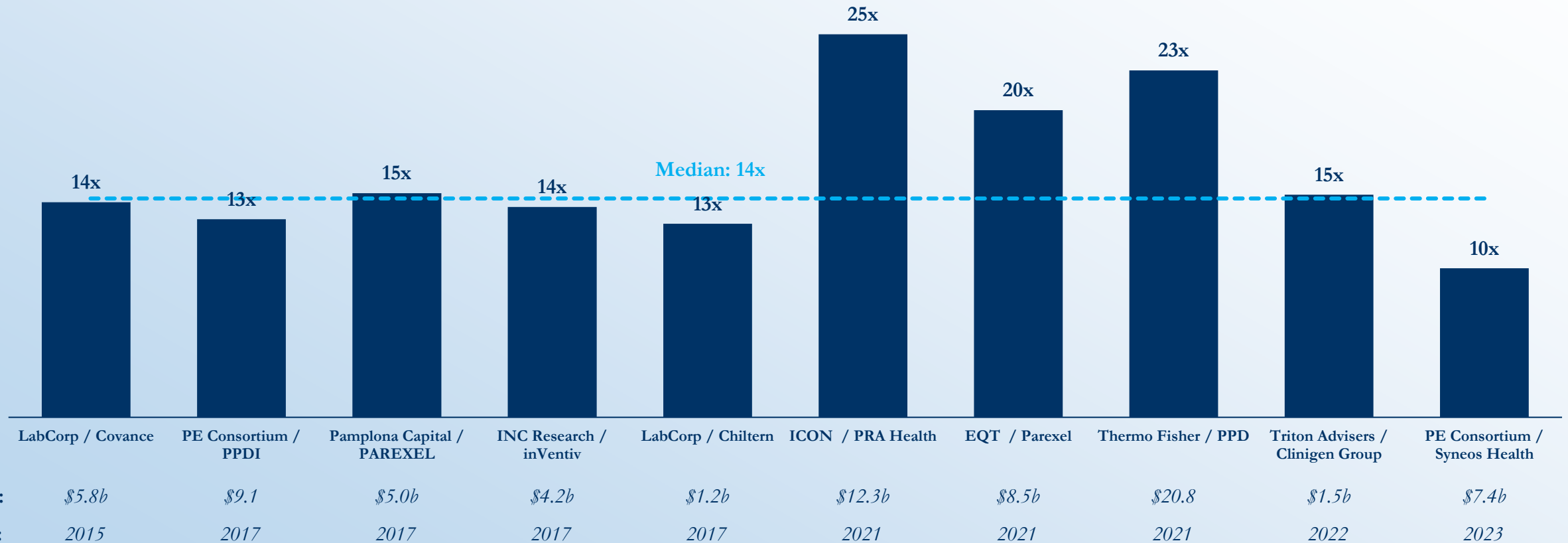
EV / CY24 EBITDA Multiples



Fortrea presents an attractive risk / reward with considerable upside potential at normalized margins.

Comparable Companies Have Also Transacted at Premium Multiples Compared to Fortrea's Current Valuation

Precedent Transaction EBITDA Multiples



Both strategics and private equity firms have been active acquirers of CRO assets.

We Believe Fortrea Can Create Significant Shareholder Value by Improving Its Profitability

FY24 Exit Margins

Peer Margins at Most Comparable Scale

FY25 Revenue
FY22 – 25 CAGR %

\$3.4 billion
3% CAGR

\$3.4 Billion
3% CAGR

FY25 Adj. EBITDA
Adj. EBITDA Margin %

\$440 million
13% margin

\$609 million
18% margin

**Peer Median EV / FY24
EBITDA Multiple**

13x

13x

Implied Share Price
% Upside⁽¹⁾

~\$47
~60% Upside

~\$72
~144% Upside

We believe that there is significant share price upside potential at Fortrea.



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