

FIRST QUARTER 2026 EARNINGS RESULTS

Prepared Remarks

April 21, 2026



Conference operator: Welcome to the Quest Diagnostics First Quarter 2026 conference call. At the request of the company, this call is being recorded. The entire contents of the call, including the presentation and question and answer session that will follow, are the copyrighted property of Quest Diagnostics with all rights reserved. Any redistribution, retransmission or rebroadcast of this call in any form without the written consent of Quest Diagnostics is strictly prohibited. Now I'd like to introduce Dan Haemmerle, Vice President of Finance and head of Investor Relations, for Quest Diagnostics. Go ahead, please.

Dan Haemmerle: Thank you and good morning. I am joined by Jim Davis, our Chairman, Chief Executive Officer and President, and Sam Samad, our Chief Financial Officer. During this call, we may make forward-looking statements and will discuss non-GAAP measures. We provide a reconciliation of non-GAAP measures to comparable GAAP measures in the tables to our earnings press release. Actual results may differ materially from those projected. Risks and uncertainties that may affect Quest Diagnostics' future results include, but are not limited to, those described in our most recent Annual Report on Form 10-K and subsequently filed quarterly reports on Form 10-Q and Current Reports on Form 8-K.

For this call, references to reported EPS refer to reported diluted EPS and references to adjusted EPS refer to adjusted diluted EPS. Growth rates associated with our long-term outlook projections, including consolidated revenue growth, revenue growth from acquisitions, organic revenue growth and adjusted earnings growth are compound annual growth rates.

Now, here is Jim Davis.

Jim Davis: Thanks, Dan, and good morning, everyone.

Our strong first quarter performance reflects a focused business delivering innovative solutions that meet our customers' evolving needs for lab insights.

During the first quarter, we grew revenues over 9%, almost entirely from organic revenue growth, on broad-based demand for our clinical innovations, expansion into new clinical areas, and collaborations with elite healthcare and consumer health organizations. In addition, we grew adjusted diluted earnings per share by approximately 13%, supported by productivity gains from our deployment of automation and AI across our operations, both in, and outside, our labs.

Given our strong first-quarter momentum and continued strategic focus, we are raising our revenue and EPS guidance for the year.

Now, I'll provide more detail on how we executed our strategy across our key customer channels and operations during the quarter.

Quest operates at the center of healthcare, delivering solutions that make testing simpler and smarter for our core clinical customers – physicians and hospitals – as well as customers in the higher growth areas of consumer health, life sciences and data analytics.

In the **Physician channel**, we delivered high single-digit revenue growth in the first quarter, on strong demand for our clinical innovations, geographic expansion from greater health plan access, and increased volume from our growing business in enterprise accounts.

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We are also pleased with our growth during the quarter in end-stage renal disease, a new clinical area for us focused on lab testing for dialysis patients. In addition to volume from serving thousands of dialysis clinics operated by Fresenius Medical Care nationwide, we also added independent dialysis clinics and other providers as clients of our lab and water purity testing.

In the **Hospital channel**, we grew revenues at a double-digit rate, with the majority of this growth coming from our Collaborative Lab Solutions for Corewell Health, a leading health system in Michigan.

Our Co-Lab Solutions combine our scale, clinical depth and operational excellence to improve quality and cost efficiencies. Our implementation with Corewell Health is proceeding smoothly. We are also advancing our joint venture with Corewell Health with plans to open a state-of-the-art lab in southeast Michigan next year.

Hospitals value our flexible solutions that enable them to free up capital while benefiting from our expertise and innovation. Our pipeline of potential Co-Lab collaborations, as well as potential outreach and independent acquisitions, remains strong.

In the Consumer channel, we deliver solutions that empower people to own their health. Similar to recent quarters, we generated significant revenue growth during the quarter, both from questhealth.com and from our portfolio of top consumer health collaborators. Growth from questhealth.com featured robust double-digit customer repeat rates and notable demand for new solutions, such as our Elite Health Profile and autoimmune and hormone tests. Quest is a trusted healthcare brand with broad reach, which enables us to drive efficient customer acquisition for questhealth.com. In addition, we are the preferred lab engine for top consumer health brands, and a key part of our growth this quarter was due to consumers accessing our lab insights within the apps and wearables of our collaborators.

Our customer channels are also growing as we continue to deliver **Advanced Diagnostics** in five key clinical areas: advanced cardiometabolic and endocrine, autoimmune, brain health, oncology, and women's and reproductive health. We delivered double-digit revenue growth across several of these areas in the first quarter. I'll comment briefly on a couple of examples.

In the area of brain health, Alzheimer's disease is a progressive dementia that affects over seven million people in the U.S. and is expected to affect nearly 13 million Americans by 2050. For several quarters, we've spoken about delivering double-digit revenue growth from our AD-Detect™ blood tests for Alzheimer's disease, a trend that continued in the first quarter. To understand this growth, consider that until recently, clinicians typically diagnosed Alzheimer's using PET-CT scans, which are costly and inaccessible for many. While these scans are highly accurate at identifying mid- and late-stage disease, they are less sensitive at detecting Alzheimer's in early stages, before major impairment has occurred. Years ago, we recognized the power of blood testing to reveal the disease earlier and more affordably, so more patients could benefit from emerging therapies with potential to slow progression sooner.

Today, Quest provides a range of tests under the AD-Detect brand, featuring sensitive mass spectrometry tests for amyloid beta and APOE, a genetic risk marker, to complement p-tau217 and p-tau181 tests from immunoassay manufacturers. We also developed a proprietary algorithm that combines multiple biomarker results to establish Alzheimer's pathology with sensitivity and specificity of 90% or greater. At the same time, we are seeing that physicians are becoming more confident using blood tests to aid diagnosis and guide pharmaceutical treatment decisions, often in lieu of imaging. As blood tests are

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increasingly used both in primary and specialty care, we expect to remain a leading source of diagnostic innovation and insights for managing the disease.

In other areas, we drove double digit revenue growth across much of our cardiometabolic and endocrine portfolio, including for tests for LP(a) and ApoB as well as for kidney, liver and reproductive hormones. New guidelines from the American Heart Association recommend LP(a) and ApoB testing for the first time, underscoring the clinical value of these biomarkers. We are also encouraged that the guidelines now recommend screening for high cholesterol at younger ages, given new research finds dangerous cardiovascular events are increasingly occurring in young adults.

In Oncology, we recently announced a research collaboration with City of Hope, a cancer and research treatment organization, to study the use of our Haystack MRD® test to aid recurrence monitoring and treatment decisions in clinical trial participants with solid tumor cancers across 14 U.S. sites.

In addition to driving top-line growth through innovation and collaborations, our focus on **Operational Excellence** aims to improve productivity as well as quality and experiences. Through our Invigorate program, we expect to continue to deliver 3% in annual cost savings and productivity improvements.

We have spoken in the past about our growing use of AI and automation in our labs. While that continues to be a major focus, in the first quarter, we stepped up our deployment of these technologies in several other areas. As one example, we boosted productivity by 40% in the first quarter among customer service agents that used AI to triage and route customer emails to speed responses.

We are also deploying AI to make testing simpler and smarter for everyone, including our patients. Our new Quest AI Companion transforms complex biomarker data and reference ranges on test reports into clear, plain language. By empowering patients with lab insights, our AI tool, which is powered by Google Gemini, can help shift the doctor-patient relationship to be focused on shared decision-making instead of data gathering, potentially improving care outcomes. Patients have engaged Quest AI Companion approximately 350,000 times since we rolled it out to users of our myQuest app in the first quarter.

Lastly, we are scaling the planning and design work for Project Nova, our multi-year initiative to transform our order-to-cash processes and systems and are on track to implement our first wave of solutions in the fall of 2027.

And now, Sam will provide more details on our performance and 2026 guidance. Sam?

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Sam Samad: Thanks, Jim.

As Jim mentioned, our solid first quarter results reflect the disciplined execution of our strategy. Consolidated revenues were \$2.90 billion, up 9.2% versus the prior year, and consolidated organic revenues grew by 9.0% in the quarter.

Revenues for Diagnostic Information Services were up 9.4% compared to the prior year, reflecting strong organic growth in our physician, hospital and consumer channels.

Our total volume, measured by the number of requisitions, increased 10.9% versus the first quarter of 2025, with organic volume up by 10.8%. Fresenius Medical Care and Corewell Health contributed

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approximately 7% to organic volume growth in the quarter. Our organic volume growth in the quarter was 3.8% excluding the favorable impact from these two relationships.

As expected, Fresenius Medical Care and Corewell Health's business mix impacted total revenue per requisition, which was down 1.30% compared to the prior year. As a reminder, the business mix from these two collaborations includes a greater proportion of routine tests than most of our clinical testing. Excluding this business mix impact, our total revenue per requisition for our clinical business increased by approximately 2.5%. Unit price reimbursement was relatively flat, consistent with our expectations.

Reported operating income in the first quarter was \$399 million, or 13.8% of revenues, compared to \$346 million, or 13.0% of revenues last year.

On an adjusted basis, operating income was \$447 million, or 15.4% of revenues, compared to \$406 million, or 15.3% of revenues last year. This increase in operating income was primarily due to organic revenue growth and increased productivity, partially offset by the impact of wage increases and, to a lesser extent, weather.

Reported EPS was \$2.24 in the quarter compared to \$1.94 a year ago. Adjusted EPS was \$2.50, versus \$2.21 a year ago. Adjusted EPS grew in the first quarter versus the prior year largely due to organic revenue growth, increased productivity and lower interest expense, partially offset by the impact of wage increases and weather.

Cash from operations was \$278 million in the first quarter versus \$314 million in the prior year. Cash from operations was lower than a year ago due to the timing of operating receipts and disbursements and higher bonus payments in the current period versus a year ago, partially offset by an increase in operating income.

Turning now to our updated full year 2026 guidance. Given the solid performance in the first quarter, we are raising our full year revenue and EPS estimates.

We now expect:

- Revenues to be between \$11.78 billion and \$11.90 billion, a growth rate of 6.8% to 7.8%.
- Reported EPS to be in a range of \$9.58 to \$9.78 and adjusted EPS in a range of \$10.63 to \$10.83.
- Cash from operations to be approximately \$1.75 billion.
- Capital expenditures to be approximately \$550 million.
- Share count and interest expense to be consistent with 2025.

Our 2026 guidance reflects the following considerations:

- Our revenue guide does not include any contribution from prospective M&A.
- Operating margin is expected to expand versus the prior year.

With that, I will now turn it back to Jim.



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Jim Davis: Thanks, Sam.

We are pleased with our start to the year. More than ever, people are turning to our lab insights to illuminate their path to better health.

In summary:

- Our first quarter results reflect a strong, focused business delivering innovative diagnostic solutions to meet our customers' evolving needs for lab insights.
- We grew the topline on broad-based demand for our clinical innovations, expansion into new clinical areas and collaborations with elite healthcare and consumer health organizations.
- We also grew the bottom line, with productivity benefits from automation and AI.
- Given our first quarter momentum, we are raising our guidance for the year.

I'd like to thank each of my nearly 57,000 Quest colleagues for living our purpose every day: **working together to create a healthier world, one life at a time**. Your passion and commitment are the engine that empowers Quest to deliver diagnostic insights that improve health and transform lives.

Now we'd be happy to take your questions.

Operator?

OPERATOR: Thank you. We will now open it up to questions. At the request of the Company, we ask that you please limit yourself to one question. If you have additional questions, we ask that you please fall back in the queue.

[AFTER QUESTIONS END]

JIM: Thanks again for joining our call today. We appreciate your continued support. Have a good day, everybody.

OPERATOR:

Thank you for participating in the Quest Diagnostics First Quarter 2026 conference call. A transcript of prepared remarks on this call will be posted later today on Quest Diagnostics' website on Quest Diagnostics' website at www.QuestDiagnostics.com.

A replay of the call may be accessed online at www.QuestDiagnostics.com/investor or by phone at 866-388-5361 for domestic callers, or 203-369-0416 for international callers; no passcode is required. Telephone replays will be available from approximately 10:30 a.m. Eastern Time on April 21, 2026 until midnight Eastern Time on May 6, 2026.

Goodbye.