



NEWS RELEASE

Quest Diagnostics Reports Third Quarter 2026 Financial Results; Raises Revenue and EPS Guidance for Full Year 2026

2026-10-22

- Third quarter revenues of \$3.10 billion, up 10.0% from 2025, on strong organic revenue growth
- Third quarter reported diluted earnings per share ("EPS") of \$2.78, up 28.7% from 2025; and adjusted diluted EPS of \$3.00, up 15.4% from 2025
- Full year 2026 revenues now expected to be between \$12.065 billion and \$12.105 billion
- Full year 2026 reported diluted EPS now expected to be between \$10.21 and \$10.31; and adjusted diluted EPS expected to be between \$11.25 and \$11.35

SECAUCUS, N.J., Oct. 22, 2026 /PRNewswire/ -- Quest Diagnostics Incorporated (NYSE: DGX), a leading provider of diagnostic information services, today announced financial results for the third quarter ended September 30, 2026.

"We delivered revenue growth of 10% and adjusted EPS growth of over 15% on continued strength across our physician, hospital and consumer channels, complemented by productivity gains from automation and AI," said Jim Davis, Chairman, CEO and President. "Our robust organic revenue growth demonstrates that our solutions are fulfilling the expanding clinical care needs of an aging population as well as the increasing number of people focused on prevention and wellness. With these growth trends and our strong performance, we are raising our revenue and EPS guidance for the full year."

Recent Highlights:

- Announced the ability for iPhone and iPad users in the United States to conveniently purchase a tailored Quest laboratory test panel with over 50 biomarkers directly through the Apple Health app, available to the public later this year.
- Finalized a definitive agreement to acquire select outreach lab assets from a leading health system and long-time Co-Lab Solutions customer in the Northeastern U.S. Continued to advance our Co-Lab Solutions

implementation and joint venture lab with Corewell Health in Michigan.

- Extended our AD-Detect® menu to include the FDA-cleared Roche Elecsys® Phospho-Tau (217P) Plasma (pTau217) blood test and launched a new AD-Detect test panel with pTau217, amyloid beta and APOE to help guide diagnosis and treatment decisions for Alzheimer's disease.
- Advanced Project Nova from the design phase to the solutions-build phase and continue to expect to deploy Epic solutions in our first lab in the fall of 2027.

The company will hold its 2027 Investor Day on March 25, 2027, at the New York Stock Exchange. Additional information will be provided closer to the event.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Change	2026	2025	Change
	(dollars in millions, except per share data)					
<u>Reported:</u>						
Net revenues	\$ 3,097	\$ 2,816	10.0 %	\$ 9,035	\$ 8,229	9.8 %
Diagnostic Information Services revenues	\$ 3,035	\$ 2,755	10.2 %	\$ 8,845	\$ 8,043	10.0 %
Revenue per requisition			(4.2) %			(2.8) %
Requisition volume			14.5 %			12.9 %
Organic requisition volume			14.4 %			12.8 %
Operating income (a)	\$ 479	\$ 386	24.2 %	\$ 1,337	\$ 1,170	14.3 %
Operating income as a percentage of net revenues (a)	15.5 %	13.7 %	1.8 %	14.8 %	14.2 %	0.6 %
Net income attributable to Quest Diagnostics (a)	\$ 312	\$ 245	27.6 %	\$ 884	\$ 747	18.4 %
Diluted EPS (a)	\$ 2.78	\$ 2.16	28.7 %	\$ 7.86	\$ 6.57	19.6 %
Cash provided by operations	\$ 611	\$ 563	8.8 %	\$ 1,486	\$ 1,421	4.6 %
Capital expenditures	\$ 166	\$ 144	15.0 %	\$ 418	\$ 369	13.2 %
<u>Adjusted (a):</u>						
Operating income	\$ 517	\$ 458	13.0 %	\$ 1,466	\$ 1,330	10.3 %
Operating income as a percentage of net revenues	16.7 %	16.3 %	0.4 %	16.2 %	16.2 %	— %
Net income attributable to Quest Diagnostics	\$ 338	\$ 296	14.2 %	\$ 969	\$ 845	14.7 %
Diluted EPS	\$ 3.00	\$ 2.60	15.4 %	\$ 8.62	\$ 7.43	16.0 %

(a) For further details impacting the year-over-year comparisons related to operating income, operating income as a percentage of net revenues, net income attributable to Quest Diagnostics, and diluted EPS, see note 2 of the financial tables attached below.

Updated Guidance for Full Year 2026

The company updates its full year 2026 guidance as follows:

	Updated Guidance		Prior Guidance	
	Low	High	Low	High
Net revenues	\$12.065 billion	\$12.105 billion	\$11.95 billion	\$12.05 billion
Net revenues increase	9.3 %	9.7 %	8.3 %	9.2 %
Reported diluted EPS	\$10.21	\$10.31	\$9.97	\$10.17
Adjusted diluted EPS	\$11.25	\$11.35	\$11.05	\$11.25
Cash provided by operations	Approximately \$1.90 billion		Approximately \$1.80 billion	
Capital expenditures	Approximately \$550 million		Approximately \$550 million	

Note on Non-GAAP Financial Measures

As used in this press release the term "reported" refers to measures under accounting principles generally accepted in the United States ("GAAP"). The term "adjusted" refers to non-GAAP operating performance measures that exclude special items such as restructuring and integration charges, amortization expense, excess tax benefits ("ETB") associated with stock-based compensation, gains and losses associated with changes in the carrying value of our strategic investments and other items.

Non-GAAP adjusted measures are presented because management believes those measures are useful adjuncts to GAAP results. Non-GAAP adjusted measures should not be considered as an alternative to the corresponding measures determined under GAAP. Management may use these non-GAAP measures to evaluate our performance period over period and relative to competitors, to analyze the underlying trends in our business, to establish operational budgets and forecasts and for incentive compensation purposes. We believe that these non-GAAP measures are useful to investors and analysts to evaluate our performance period over period and relative to competitors, as well as to analyze the underlying trends in our business and to assess our performance. The additional tables attached below include reconciliations of non-GAAP adjusted measures to GAAP measures.

Conference Call Information

Quest Diagnostics will hold its quarterly conference call to discuss financial results beginning at 8:30 a.m. Eastern Time today. The conference call can be accessed by dialing 888-455-0391 within the U.S. and Canada, or 773-756-0467 internationally, passcode: 7895081; or via live webcast on our website at **www.QuestDiagnostics.com/investor**. We suggest participants dial in approximately 10 minutes before the call.

A replay of the call may be accessed online at **www.QuestDiagnostics.com/investor** or, from approximately 10:30 a.m. Eastern Time on October 22, 2026 until midnight Eastern Time on November 5, 2026, by phone at 866-388-5361 for domestic callers or 203-369-0416 for international callers. Anyone listening to the call is encouraged to read our periodic reports, on file with the Securities and Exchange Commission, including the discussion of risk factors and historical results of operations and financial condition in those reports.

About Quest Diagnostics

Quest Diagnostics works across healthcare to create a healthier world, one life at a time. We help connect people, from clinicians to consumers, with laboratory insights that illuminate a path to better health. With a focus on delivering smarter, simpler testing, our insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve healthcare management. Quest Diagnostics serves half the physicians and hospitals in the United States and one in three adult Americans each year, and our nearly 60,000 employees work together to deliver diagnostic insights that inspire actions to transform lives. **www.QuestDiagnostics.com**.

Forward Looking Statements

The statements in this press release which are not historical facts may be forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that they are made and which reflect management's current estimates, projections, expectations or beliefs and which involve risks and uncertainties that could cause actual results and outcomes to be materially different. Risks and uncertainties that may affect the future results of the company include, but are not limited to, the impact of the incident described in the Current Report on Form 8-K filed on October 22, 2026, uncertain and volatile economic conditions, adverse results from pending or future government investigations, lawsuits or private actions, the competitive environment, the complexity of billing, reimbursement and revenue recognition for clinical laboratory testing, changes in government policies, including related to trade, and regulations, changing relationships with customers, payers, suppliers or strategic partners, acquisitions and other factors discussed in the company's most recently filed Annual Report on Form 10-K and in any of the company's subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including those discussed in the "Business," "Risk Factors," "Cautionary Factors that May Affect Future Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of those reports.

This earnings release, including the attached financial tables, is available online in the Newsroom section at www.QuestDiagnostics.com.

ADDITIONAL TABLES FOLLOW

Quest Diagnostics Incorporated and Subsidiaries
Consolidated Statements of Operations
For the Three and Nine Months Ended September 30, 2026 and 2025
(in millions, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net revenues	\$ 3,097	\$ 2,816	\$ 9,035	\$ 8,229
Operating costs and expenses and other operating income:				
Cost of services	2,055	1,867	6,024	5,474
Selling, general and administrative	523	501	1,556	1,463
Amortization of intangible assets	37	39	112	117
Other operating expense, net	3	23	6	5
Total operating costs and expenses, net	2,618	2,430	7,698	7,059
Operating income	479	386	1,337	1,170
Other income (expense):				
Interest expense, net	(61)	(66)	(187)	(200)
Other (expense) income, net	(2)	8	12	18
Total non-operating expense, net	(63)	(58)	(175)	(182)
Income before income taxes and equity in earnings of equity method investees	416	328	1,162	988

Income tax expense	(99)	(77)	(261)	(233)
Equity in earnings of equity method investees, net of taxes	9	8	23	35
Net income	326	259	924	790
Less: Net income attributable to noncontrolling interests	14	14	40	43
Net income attributable to Quest Diagnostics	<u>\$ 312</u>	<u>\$ 245</u>	<u>\$ 884</u>	<u>\$ 747</u>
Earnings per share attributable to Quest Diagnostics' common stockholders:				
Basic	<u>\$ 2.82</u>	<u>\$ 2.18</u>	<u>\$ 7.97</u>	<u>\$ 6.66</u>
Diluted	<u>\$ 2.78</u>	<u>\$ 2.16</u>	<u>\$ 7.86</u>	<u>\$ 6.57</u>
Weighted average common shares outstanding:				
Basic	110	112	110	112
Diluted	112	113	112	113

Quest Diagnostics Incorporated and Subsidiaries
Consolidated Balance Sheets
September 30, 2026 and December 31, 2025
(in millions, except per share data)
(unaudited)

	September 30, 2026	December 31, 2025
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 797	\$ 420
Accounts receivable, net	1,712	1,408
Inventories	218	189
Prepaid expenses and other current assets	390	361
Total current assets	<u>3,117</u>	<u>2,378</u>
Property, plant and equipment, net	2,275	2,203
Operating lease right-of-use assets	670	657
Goodwill	9,112	8,945
Intangible assets, net	1,634	1,636
Investments in equity method investees	139	136
Other assets	274	270
Total assets	<u>\$ 17,221</u>	<u>\$ 16,225</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,643	\$ 1,600
Current portion of long-term debt	10	504
Current portion of long-term operating lease liabilities	181	174
Total current liabilities	<u>1,834</u>	<u>2,278</u>
Long-term debt	5,540	5,167
Long-term operating lease liabilities	554	537
Other liabilities	1,262	957
Redeemable noncontrolling interest	81	80
Stockholders' equity:		
Quest Diagnostics stockholders' equity:		
Common stock, par value \$0.01 per share; 600 shares authorized as of both September 30, 2026 and December 31, 2025; 162 shares issued as of both September 30, 2026 and December 31, 2025	2	2
Additional paid-in capital	2,397	2,381
Retained earnings	10,593	9,994
Accumulated other comprehensive loss	(66)	(27)
Treasury stock, at cost; 52 shares as of both September 30, 2026 and December 31, 2025	<u>(5,294)</u>	<u>(5,180)</u>
Total Quest Diagnostics stockholders' equity	7,632	7,170
Noncontrolling interests	318	36
Total stockholders' equity	<u>7,950</u>	<u>7,206</u>
Total liabilities and stockholders' equity	<u>\$ 17,221</u>	<u>\$ 16,225</u>

Quest Diagnostics Incorporated and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2026 and 2025
(in millions)
(unaudited)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 924	\$ 790
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	440	425
Provision for credit losses	5	2
Deferred income tax expense	155	118
Stock-based compensation expense	63	63
Other, net	22	37
Changes in operating assets and liabilities:		
Accounts receivable	(308)	(153)
Accounts payable and accrued expenses	244	113
Income taxes payable	(24)	(1)
Other assets and liabilities, net	(35)	27
Net cash provided by operating activities	1,486	1,421
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(39)	(51)
Capital expenditures	(418)	(369)
Other investing activities, net	2	(20)
Net cash used in investing activities	(455)	(440)
Cash flows from financing activities:		
Proceeds from borrowings	494	410
Repayments of debt	(504)	(1,011)
Purchases of treasury stock	(252)	(150)
Exercise of stock options	108	61
Employee payroll tax withholdings on stock issued under stock-based compensation plans	(40)	(44)
Dividends paid	(279)	(263)
Distributions to noncontrolling interest partners	(35)	(43)
Contributions from noncontrolling interest partners	25	—
Other financing activities, net	(169)	(61)
Net cash used in financing activities	(652)	(1,101)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(2)	3
Net change in cash and cash equivalents and restricted cash	377	(117)
Cash and cash equivalents and restricted cash, beginning of period	420	549
Cash and cash equivalents and restricted cash, end of period	\$ 797	\$ 432
Cash paid during the period for:		
Interest	\$ 151	\$ 167
Income taxes	\$ 142	\$ 112

Notes to Financial Tables

1) The computation of basic and diluted earnings per common share is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share data)			
Amounts attributable to Quest Diagnostics' common stockholders:				
Net income attributable to Quest Diagnostics	\$ 312	\$ 245	\$ 884	\$ 747
Less: earnings allocated to participating securities	2	2	4	4
Earnings available to Quest Diagnostics' common stockholders - basic and diluted	<u>\$ 310</u>	<u>\$ 243</u>	<u>\$ 880</u>	<u>\$ 743</u>
Weighted average common shares outstanding - basic	110	112	110	112
Effect of dilutive securities:				
Stock options and performance share units	2	1	2	1
Weighted average common shares outstanding - diluted	<u>112</u>	<u>113</u>	<u>112</u>	<u>113</u>
Earnings per share attributable to Quest Diagnostics' common stockholders:				
Basic	\$ 2.82	\$ 2.18	\$ 7.97	\$ 6.66
Diluted	<u>\$ 2.78</u>	<u>\$ 2.16</u>	<u>\$ 7.86</u>	<u>\$ 6.57</u>

2) The following tables reconcile reported GAAP results to non-GAAP adjusted results:

	Three Months Ended September 30, 2026 (dollars in millions, except per share data)					
	Operating income	Operating income as a percentage of net revenues	Income tax expense (e)	Equity in earnings of equity method investees, net of taxes	Net income attributable to Quest Diagnostics	Diluted EPS
As reported	\$ 479	15.5 %	\$ (99)	\$ 9	\$ 312	\$ 2.78
Restructuring and integration charges (a)	3	0.1	—	—	3	0.02
Other charges (b)	4	0.1	—	—	4	0.03
Gains and losses on investments (c)	—	—	(1)	1	3	0.02
Other gains (d)	(6)	(0.2)	1	—	(5)	(0.04)
Amortization expense	37	1.2	(10)	—	27	0.24
ETB	—	—	(6)	—	(6)	(0.05)
As adjusted	<u>\$ 517</u>	<u>16.7 %</u>	<u>\$ (115)</u>	<u>\$ 10</u>	<u>\$ 338</u>	<u>\$ 3.00</u>

	Nine Months Ended September 30, 2026 (dollars in millions, except per share data)					
	Operating income	Operating income as a percentage of net revenues	Income tax expense (e)	Equity in earnings of equity method investees, net of taxes	Net income attributable to Quest Diagnostics	Diluted EPS

As reported	\$	1,337	14.8 %	\$	(261)	\$	23	\$	884	\$	7.86
Restructuring and integration charges (a)		14	0.2		(3)		—		11		0.10
Other charges (b)		9	0.1		—		—		9		0.08
Gains and losses on investments (c)		—	—		(3)		7		7		0.06
Other gains (d)		(6)	(0.1)		1		—		(5)		(0.04)
Amortization expense		112	1.2		(29)		—		83		0.74
ETB		—	—		(20)		—		(20)		(0.18)
As adjusted	\$	1,466	16.2 %	\$	(315)	\$	30	\$	969	\$	8.62

Three Months Ended September 30, 2025
(dollars in millions, except per share data)

	Operating income	Operating income as a percentage of net revenues	Income tax expense (e)	Equity in earnings of equity method investees, net of taxes	Net income attributable to Quest Diagnostics	Diluted EPS
As reported	\$ 386	13.7 %	\$ (77)	\$ 8	\$ 245	\$ 2.16
Restructuring and integration charges (a)	11	0.4	(2)	—	9	0.07
Other charges (b)	22	0.8	(6)	—	16	0.15
Amortization expense	39	1.4	(10)	—	29	0.25
ETB	—	—	(3)	—	(3)	(0.03)
As adjusted	\$ 458	16.3 %	\$ (98)	\$ 8	\$ 296	\$ 2.60

Nine Months Ended September 30, 2025
(dollars in millions, except per share data)

	Operating income	Operating income as a percentage of net revenues	Income tax expense (e)	Equity in earnings of equity method investees, net of taxes	Net income attributable to Quest Diagnostics	Diluted EPS
As reported	\$ 1,170	14.2 %	\$ (233)	\$ 35	\$ 747	\$ 6.57
Restructuring and integration charges (a)	37	0.5	(9)	—	28	0.24
Other charges (b)	52	0.6	(12)	—	40	0.36
Gains and losses on investments (c)	—	—	1	(1)	(2)	(0.01)
Other gains (d)	(46)	(0.5)	14	(8)	(40)	(0.36)
Amortization expense	117	1.4	(30)	—	87	0.76
ETB	—	—	(15)	—	(15)	(0.13)
As adjusted	\$ 1,330	16.2 %	\$ (284)	\$ 26	\$ 845	\$ 7.43

(a) For each of the three and nine months ended September 30, 2026 and 2025, the pre-tax impact represents costs primarily associated with workforce reductions and integration costs incurred in connection with further restructuring and integrating our business. The following table summarizes the pre-tax impact of restructuring and integration charges on our consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in millions)			
Cost of services	\$ 1	\$ 1	\$ 3	\$ 8
Selling, general and administrative	2	10	11	29
Operating income	\$ 3	\$ 11	\$ 14	\$ 37

- (b) The three and nine months ended September 30, 2026 and 2025 include pre-tax losses associated with the change in the fair value of the contingent consideration accrual associated with previous acquisitions, recorded in other operating expense, net. Additionally, both the three and nine months ended September 30, 2025 include a \$15 million pre-tax charge to earnings related to legal matters, recorded in other operating expense, net. Also, the three and nine months ended September 30, 2025 include pre-tax impairment charges of \$5 million and \$29 million, respectively, on certain long-lived assets related to the exit of a business, also recorded in other operating expense, net.
- (c) For all periods presented, the pre-tax impact represents gains and losses associated with changes in the carrying value of our strategic investments, principally recorded in equity in earnings of equity method investees, net of taxes, and other (expense) income, net.
- (d) Both the three and nine months ended September 30, 2026 primarily include \$4 million of pre-tax gains, recorded in selling, general and administrative expenses, related to insurance recoveries for certain legal matters. The nine months ended September 30, 2025 includes a \$46 million pre-tax gain, recorded in other operating expense, net, from a payroll tax credit under the Coronavirus Aid, Relief, and Economic Security Act associated with the retention of employees. Additionally, the nine months ended September 30, 2025 includes an \$8 million pre-tax gain, recorded in equity in earnings of equity method investees, net of taxes, representing a non-recurring gain related to a lease.
- (e) For restructuring and integration charges, other gains/charges, gains and losses on investments, and amortization expense, income tax impacts, where recorded, were primarily calculated using combined statutory income tax rates of 25.5% for both 2026 and 2025. No income tax impact was recorded on losses associated with the change in the fair value of the contingent consideration accrual associated with previous acquisitions.
- 3) The outlook for adjusted diluted EPS represents management's estimates for the full year 2026 before the impact of special items. Further impacts to earnings related to special items may occur throughout 2026. Additionally, the amount of ETB is dependent upon employee stock option exercises and our stock price, which are difficult to predict. The following table reconciles our 2026 outlook for diluted EPS under GAAP to our outlook for adjusted diluted EPS:

	Low		High	
Diluted EPS	\$	10.21	\$	10.31
Restructuring and integration charges (a)		0.13		0.13
Amortization expense (b)		0.99		0.99
Other charges (c)		0.11		0.11
Gains and losses on investments (d)		0.06		0.06
Other gains (e)		(0.04)		(0.04)
ETB		(0.21)		(0.21)
Adjusted diluted EPS	\$	11.25	\$	11.35

- (a) Represents estimated pre-tax charges of \$20 million primarily associated with workforce reductions and integration costs incurred in connection with further restructuring and integrating our business. Income tax benefits were primarily calculated using a combined statutory income tax rate of 25.5%.
- (b) Represents estimated pre-tax amortization expenses of \$149 million. Income tax benefits were primarily calculated using a combined statutory income tax rate of 25.5%.
- (c) Principally represents estimated pre-tax net losses of \$9 million associated with the increase in the fair value of the contingent consideration accrual associated with previous acquisitions. Such estimate is subject to the risks and uncertainties discussed in the "Forward Looking Statements" section above. No income tax benefits are recorded on the changes associated with the contingent consideration accrual.
- (d) Represents gains and losses associated with changes in the carrying value of our strategic investments. Income tax impacts were calculated using a combined statutory income tax rate of 25.5%.

(e) Principally represents a pre-tax gain related to insurance recoveries for certain legal matters. Income tax impacts were primarily calculated using a combined statutory income tax rate of 25.5%.

View original content to download multimedia:<https://www.prnewswire.com/news-releases/quest-diagnostics-reports-third-quarter-2026-financial-results-raises-revenue-and-eps-guidance-for-full-year-2026-302916259.html>

SOURCE Quest Diagnostics