Quest Diagnostics®

2023 INVESTOR DAY

Optimizing Operations to Drive Growth

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SAFE HARBOR DISCLOSURE

The statements in the following presentations 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, 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 regulations, changing relationships with customers, payers, suppliers or strategic partners 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.

In the following presentations, references to adjusted EPS refer to adjusted diluted EPS. Any references to base business, testing, revenues, or volumes refer to the performance of our business excluding COVID-19 testing. Any references to operating margin(s) refer to adjusted operating income as a percentage of net revenues. Any references to free cash flow refer to cash flow from operations less capital expenditures.

Key highlights

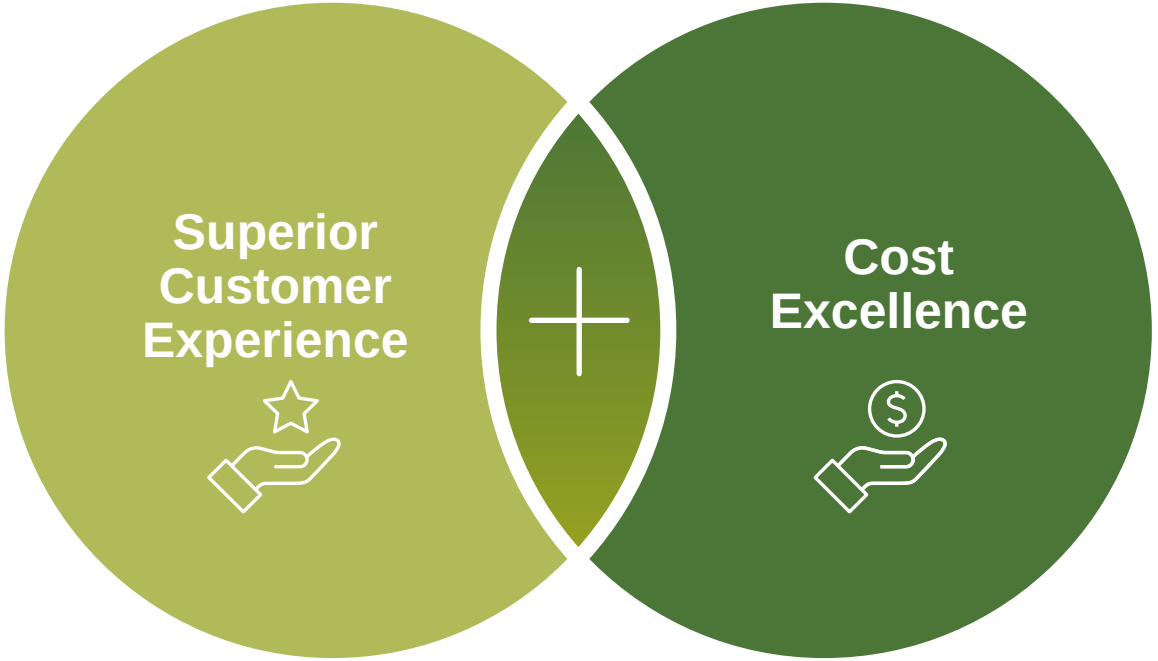
We have a strong track record of delivering Invigorate savings while improving the customer experience

Opportunities remain along our value chain to continue to deliver ~3% in annual productivity savings

Our path includes:

- Productivity improvements through automation and AI
- Getting paid for the work we do
- Enhancing our provider and patient digital experiences
- Attracting, developing and retaining frontline talent

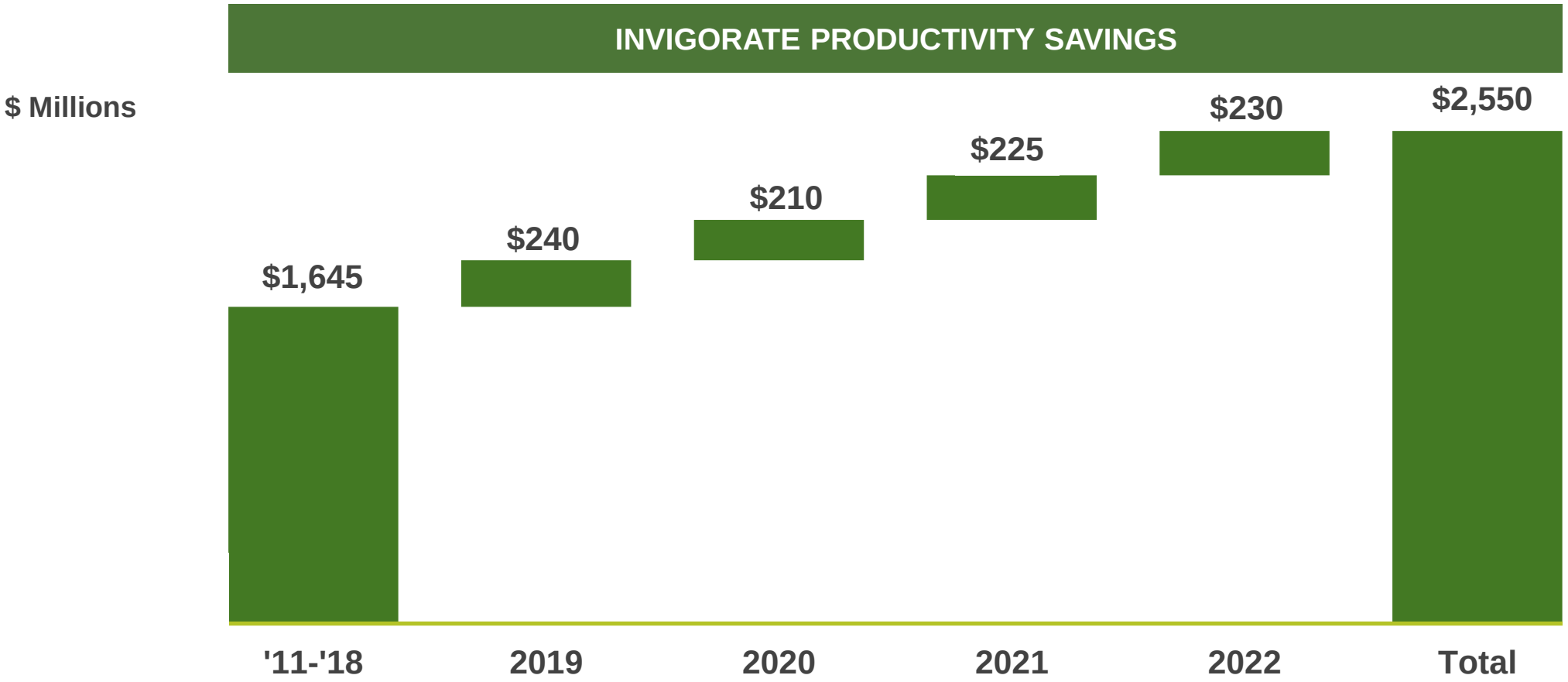
Delivering the promise of a superior customer experience at lower cost



It’s not an “either/or” imperative…

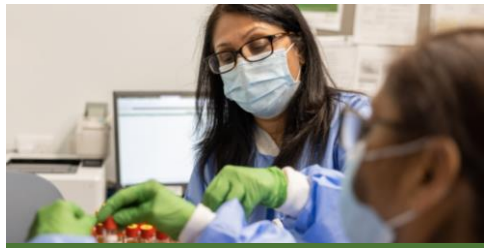
We are delivering on BOTH

Invigorate helps address headwinds, increases capacity and improves productivity



Excludes the benefit of COVID

Key productivity levers support savings, while delivering an excellent customer experience



Patient Services

Patients served per FTE per day ▲16%



Logistics

Non-productive stops ▼31%



Lab Operations

Requisitions per day per FTE ▲16%



National Customer Services

Contacts per 100 requisitions ▼40%

All improvements from 2018



Patient Experience Metrics

Net Promoter Score (NPS)

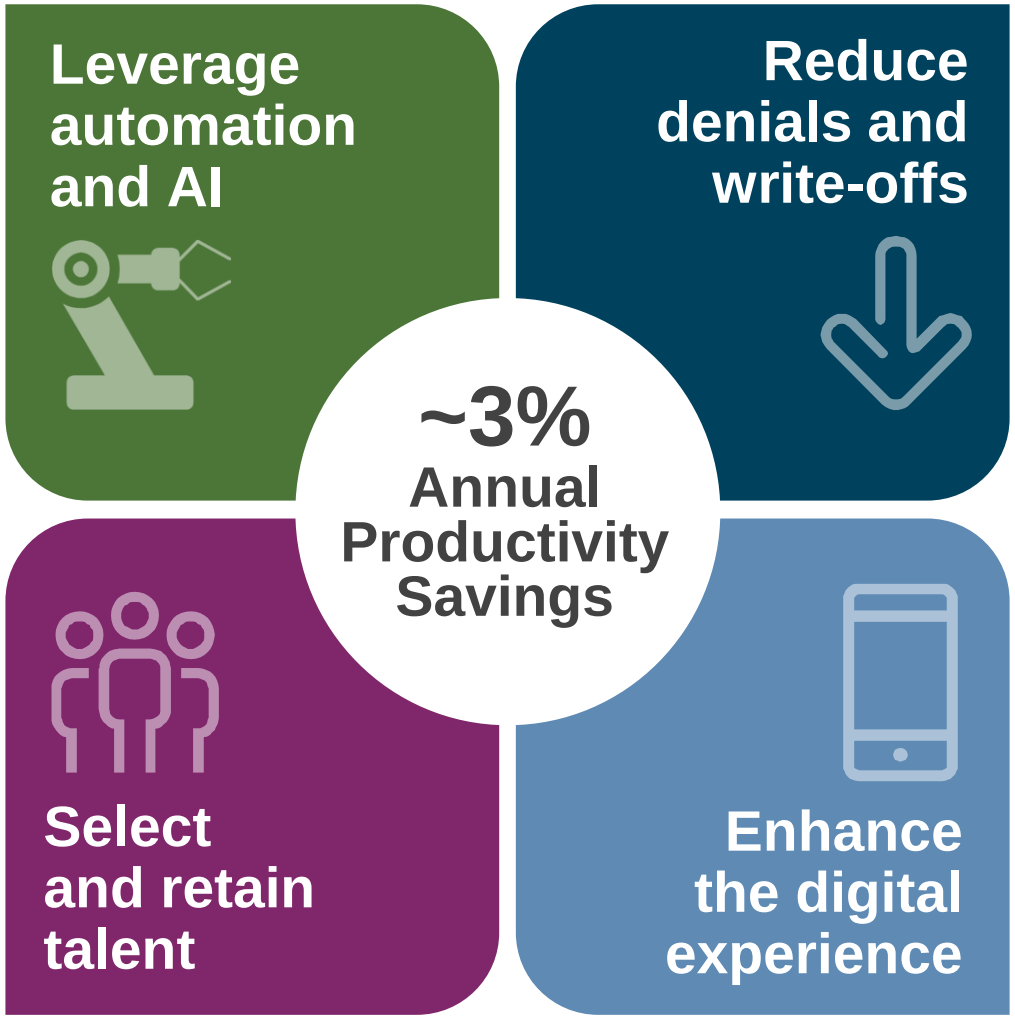
73

Healthcare industry average NPS score 58

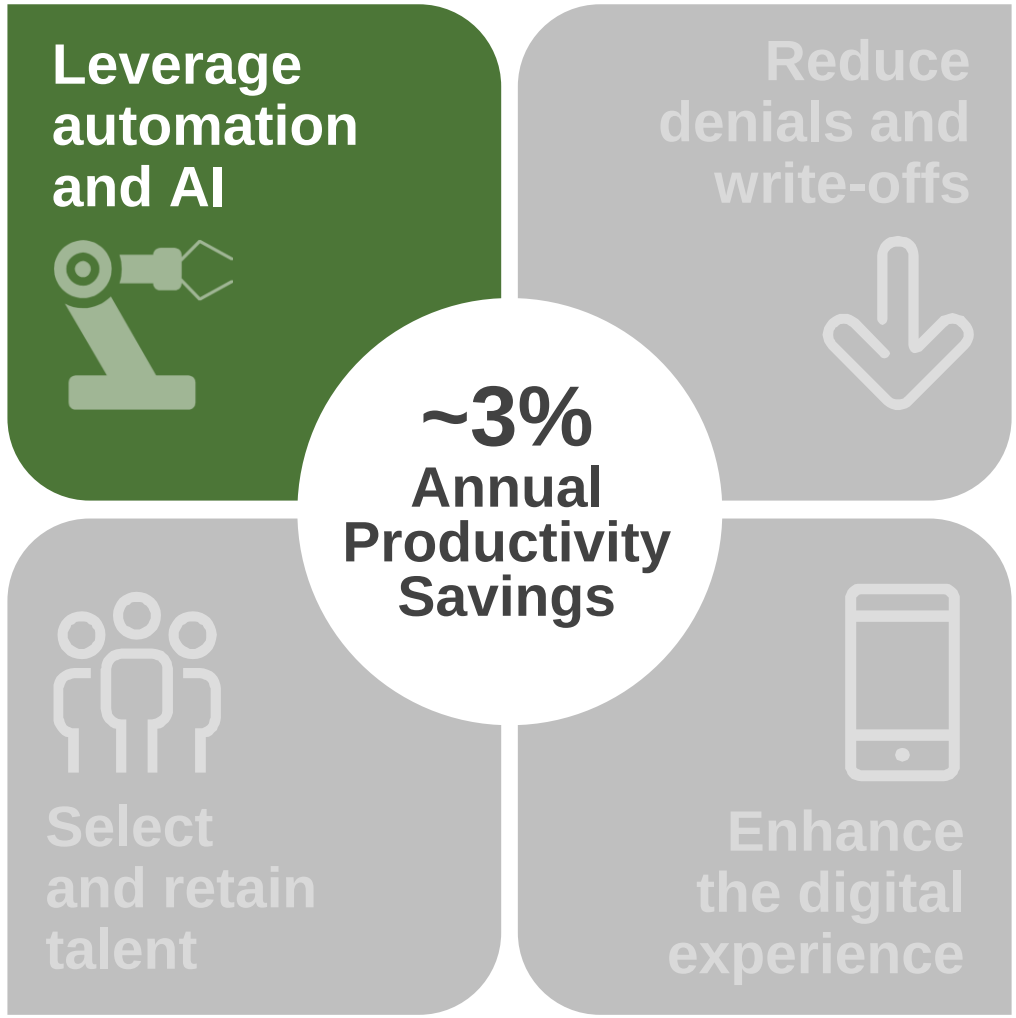
Customer Satisfaction (CSAT)

91%

Invigorate will continue to deliver operational efficiency while improving the customer experience through four major initiatives



Invigorate will continue to deliver operational efficiency while improving the customer experience through four major initiatives



Our Strategy

Continuous implementation of automation and AI to achieve increased quality and productivity



We’re making progress along our automation journey

End-to-End Lab Automation

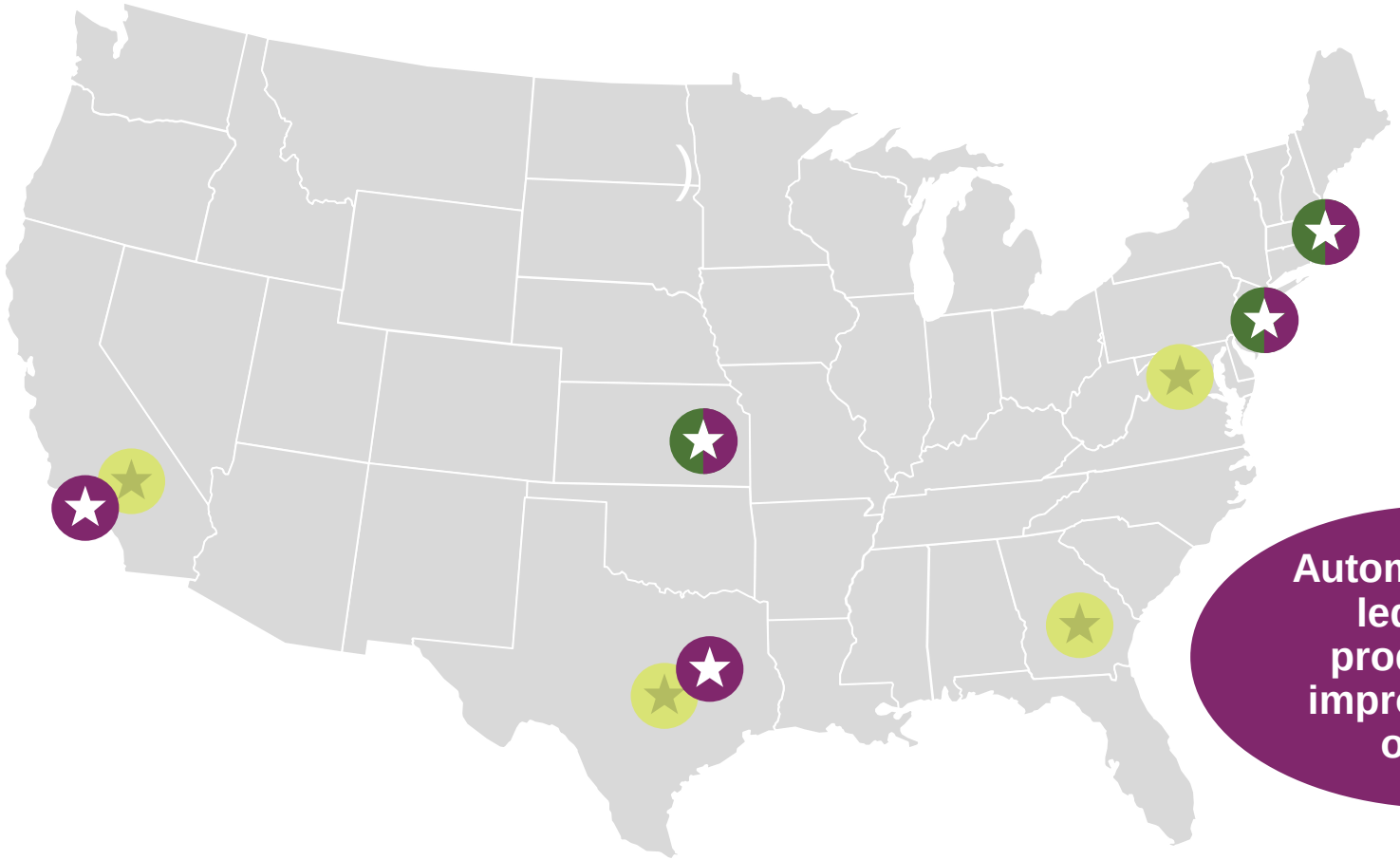
Fully automated sample handling after accessioning

Core Clinical

Micro

Modular Automation

Automation in specific tests and processes to enable increased productivity and quality



Automation has led to lab productivity improvements of 15%

An example of modular automation

We are replacing manual urine aliquoting with an automated solution

FROM: Manual

Annually ~80 FTEs manually process and aliquot 10M non-standard urine cups



TO: Automated (allows for different containers)

Working with strategic partners to deliver custom solutions



Our AI applications focus on the core of our business



Lab testing productivity

AI support for image and graph interpretation in multiple disciplines

- Microbiology
- Drug Monitoring
- Cytogenetics
- Pathology
- Cytology



Data extraction

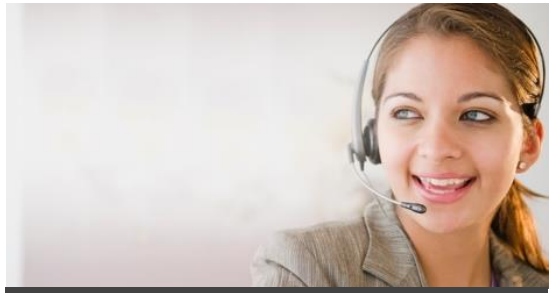
AI to recognize and convert handwritten or printed text from paper requisitions



Process and flow

AI to help us optimize process flows and service quality

- Assess compliance with standards in labs and patient service centers
- Driver safety and dynamic route optimization
- Predictive auto-replenishment in our supply chain

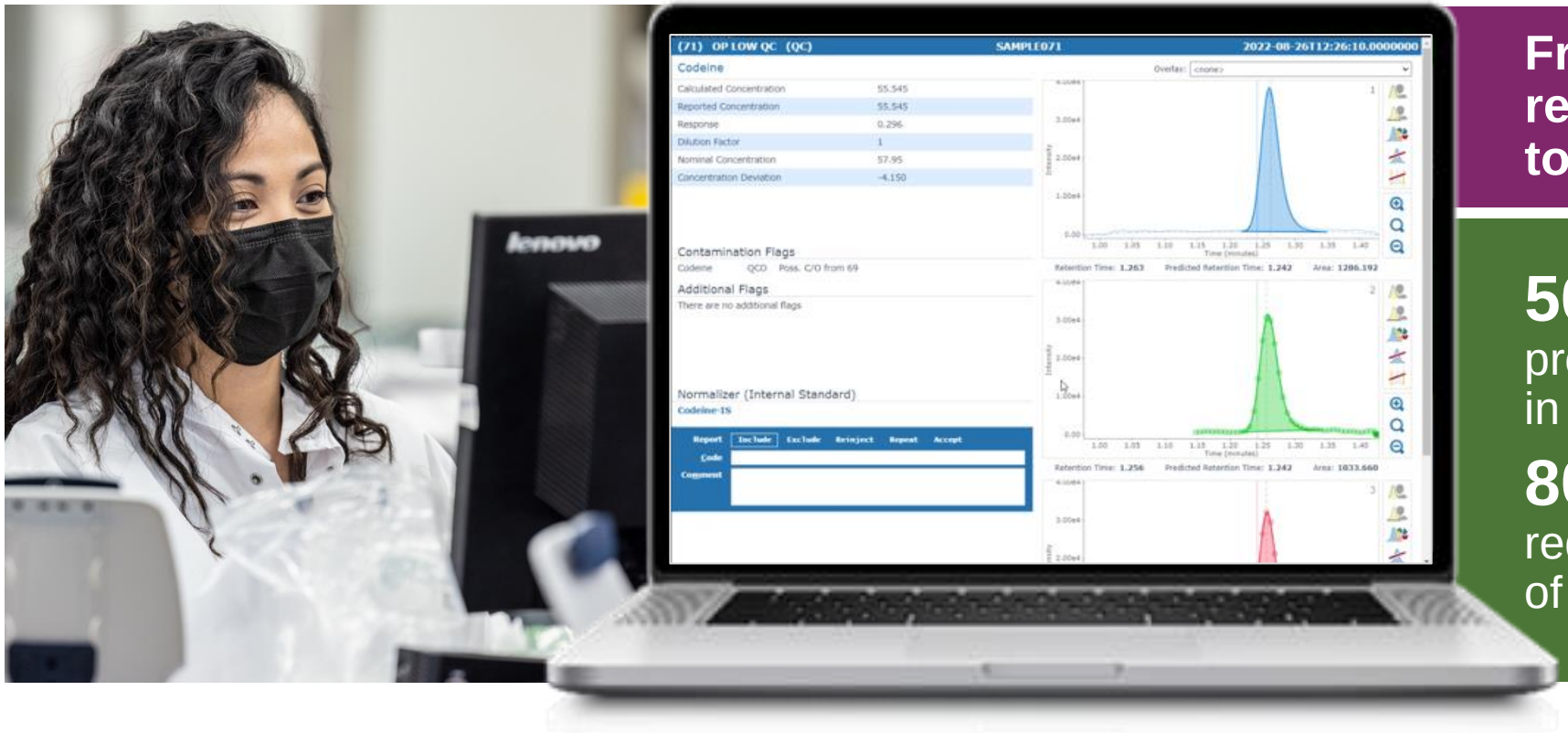


Customer service efficiency

AI to minimize client wait time and deliver faster response times

AI is automating processes in mass spec testing interpretation

Reducing non-value-added work, improving medical quality and boosting productivity



From 100% manual review of chromatogram to AI rules-based logic

50%
productivity improvement in review time

80%
reduction in total number of reviews

Microbiology full process automation: from 8 steps to 2 steps

Pre-Automation

8 steps

1. Specimens manually sorted and racked
2. Manual streaking/WASP loading
3. Plates loaded into incubator racks
4. Plates offloaded from incubator
5. Plate triaging / screening
6. Plate reading one at a time
7. VITEK2/MS target and AST set up
8. Specimens scanned and racked for storage

Microbiology Automation

2 steps

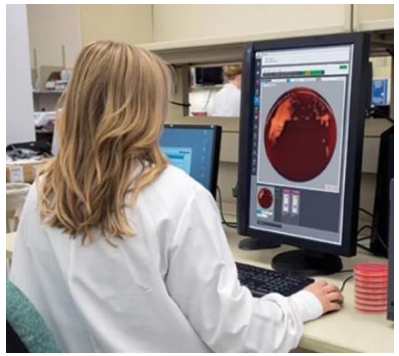
1. **Bulk loading specimens**
2. **Move positive plates from auto line to Colibri**



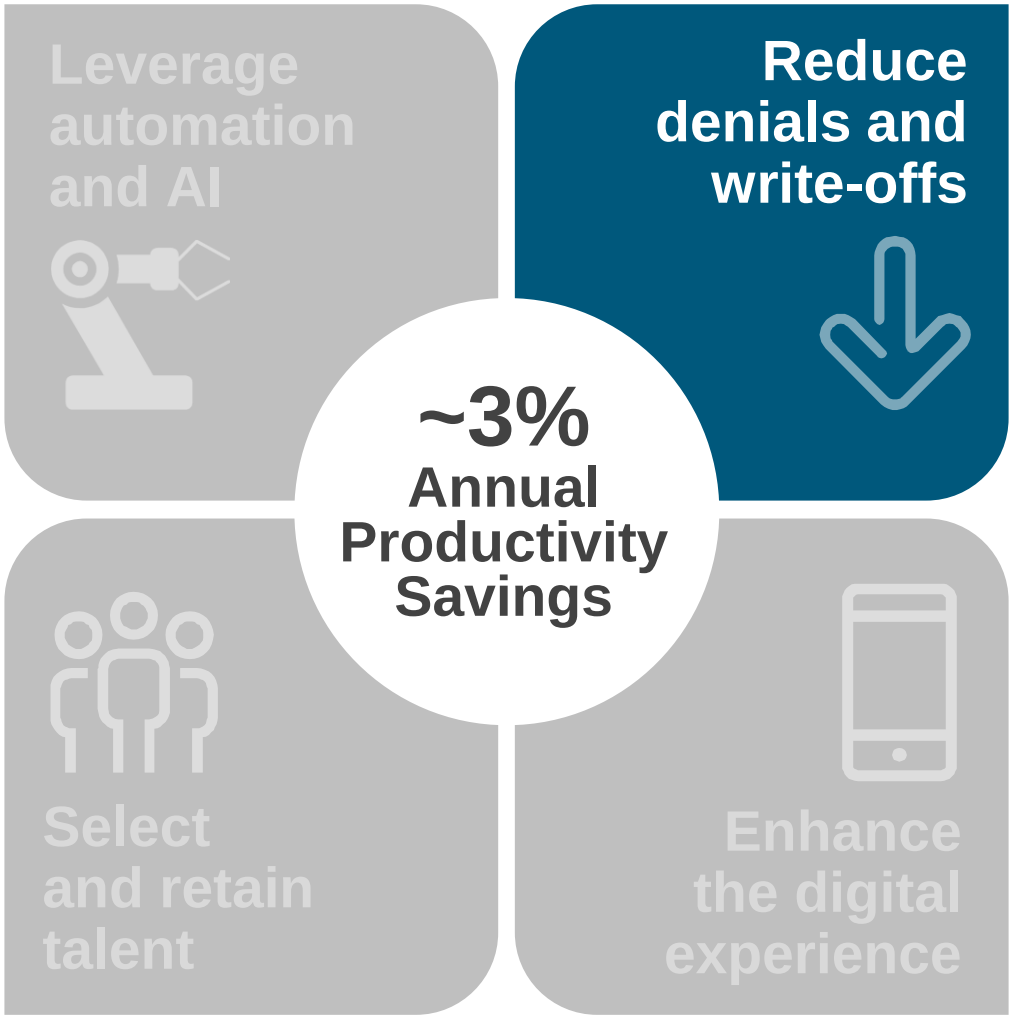
Physical Automation

- Transport & tracking
- Plating
- Incubation
- Digital Scanning
- Disposal

- **TAT improvement of 40% for negative cultures**
- **~40% reduction in FTEs**
- **100% plates reported with support of AI**
- **Specimens automatically scanned and stored**

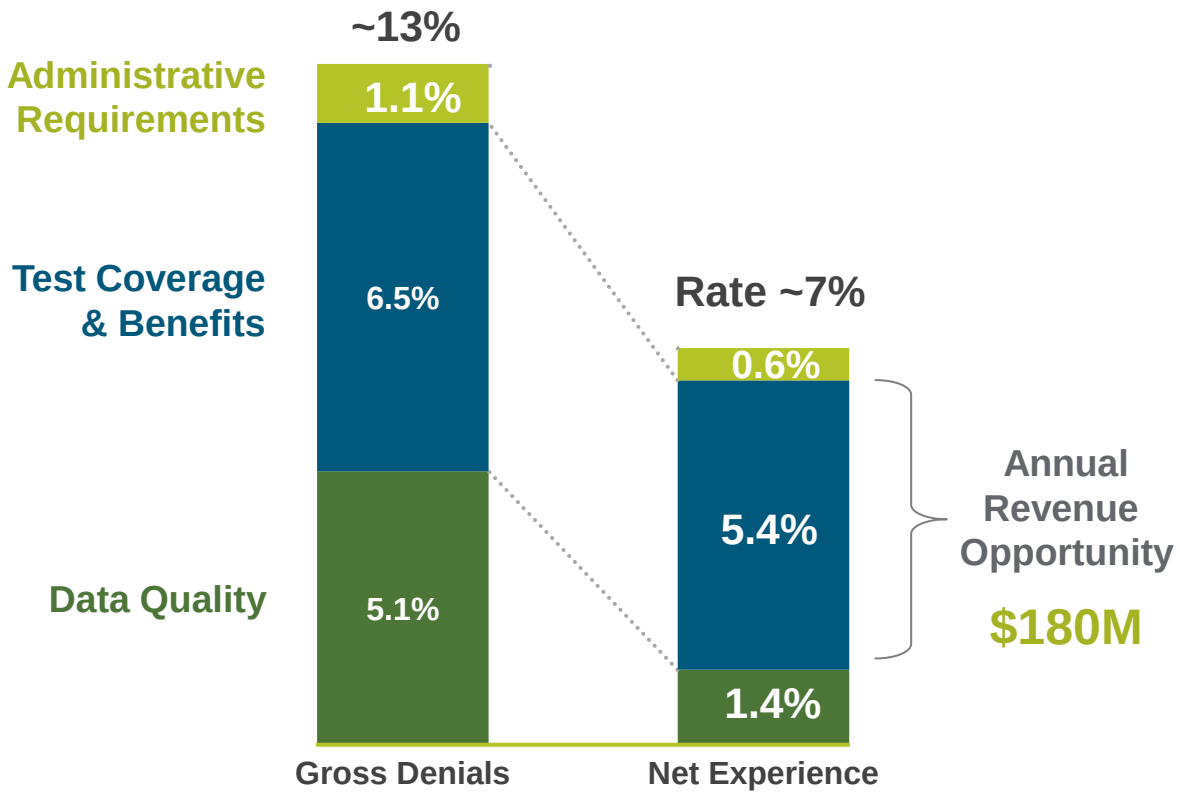


Invigorate will continue to deliver operational efficiency while improving the customer experience through four major initiatives



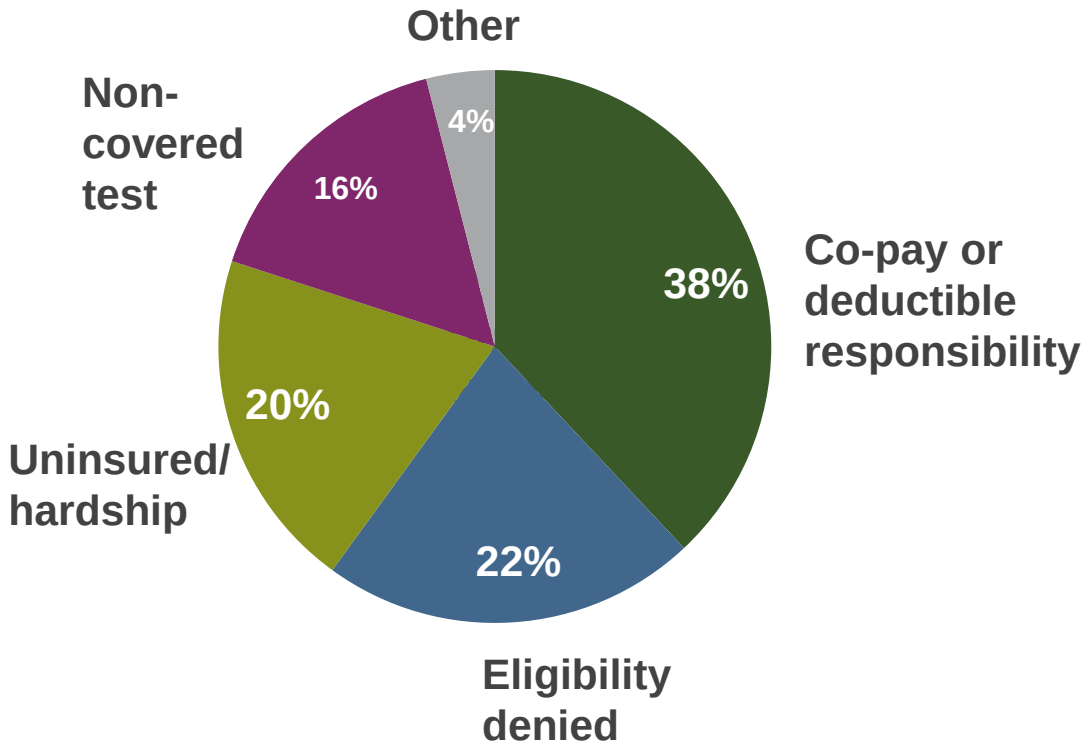
Significant opportunity to reduce denials and patient concessions of ~$550M

DENIALS



PATIENT CONCESSIONS

100% = ~$370M per year



Improve billing accuracy to reduce denials and increase cash

Collect billing info from patient or provider

Quest attempts to bill payer and patient … will we be paid?

Payer response

- Pays claim
- Denials → ✓ Coverage ✓ Eligibility
- Patient responsibility → **Bill Patient**

Traditional

~ 7%
Net Denials

~$370M
Annual Concessions

Upfront

Collect billing info from patient or provider

- **Electronic order:** accurate data & eABNs
- **Real time adjudications:** eligibility & coverage determination
- **Patient responsibility & pricing transparency:** payment collection

Bill payer

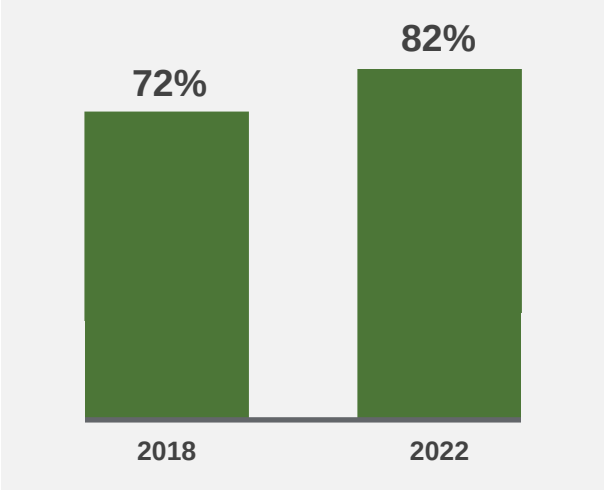
- **Higher payment %**
- **Reduction/offset denials**
- **Reduction in patient bills**

Goal:

$100M - $150M

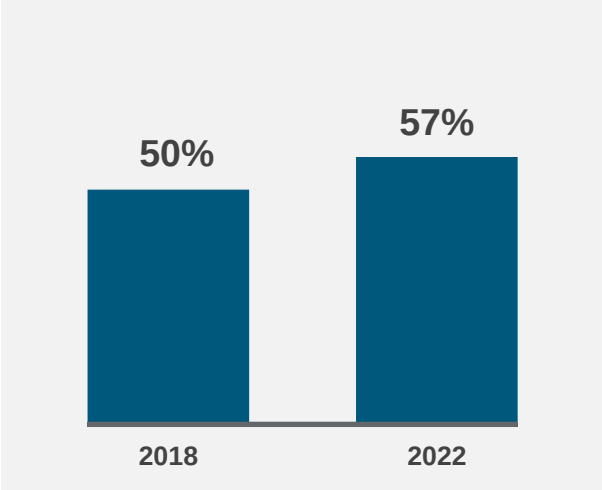
We’ve made progress on several fronts

Electronic orders



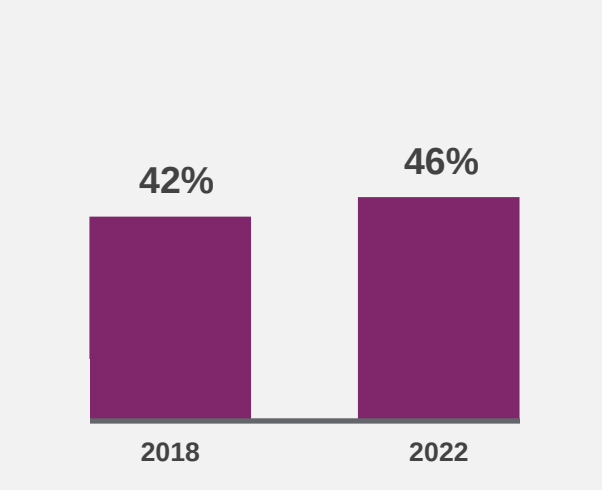
- Analyze the order before the specimen is collected
- Alert the physician to order irregularities right away

Collection of patients’ open invoices



- Proactive notification increases compliance with Open Balance payments
- Integrating clinical and financial data to care for the whole patient

Payment information at time-of service

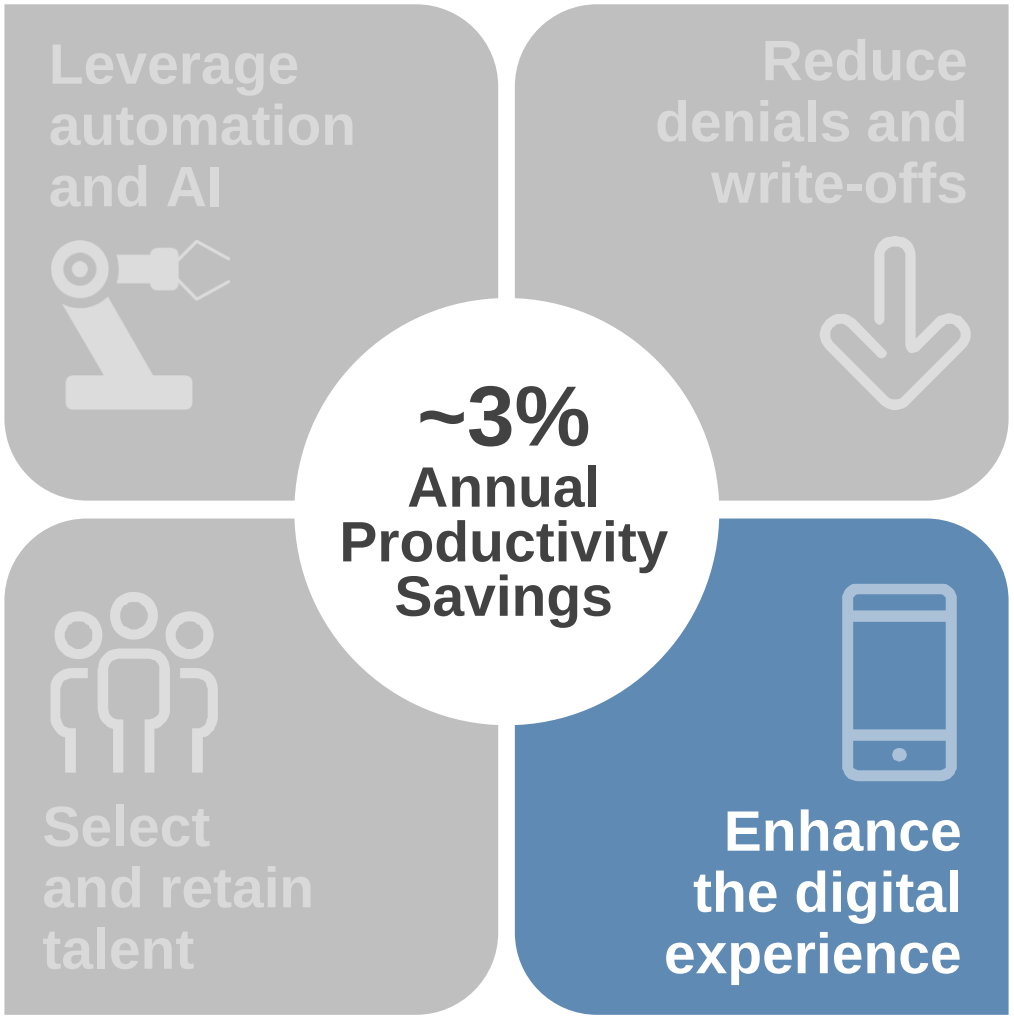


- Outreach to the patient with transparent pricing
- Provides a moment of choice for the patient

We continue to partner to change coverage policies

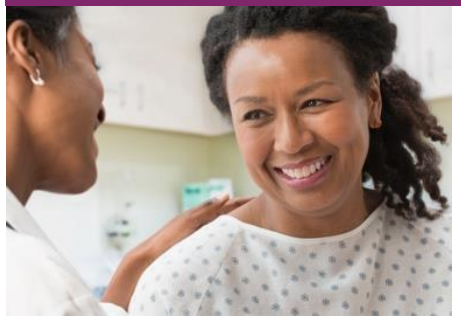
- Expanded hemoglobin A1C policy to cover a wider range of risk factors
- Lobbied to cover CMA (Chromosomal Microarray Analysis) testing
- Removed prior authorization requirements for non-invasive prenatal screening and cystic fibrosis testing
- Reduced restrictive frequency limits for drug monitoring testing

Invigorate will continue to deliver operational efficiency while improving the customer experience through four major initiatives



We know what matters most to our customers throughout their journeys

Patient



- Awareness
- Visit prep
- Visit
- Results
- Payment
- Ongoing relationship

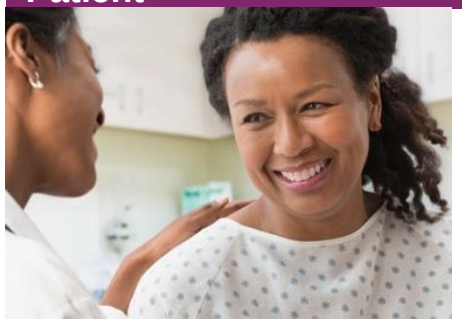
Healthcare Provider



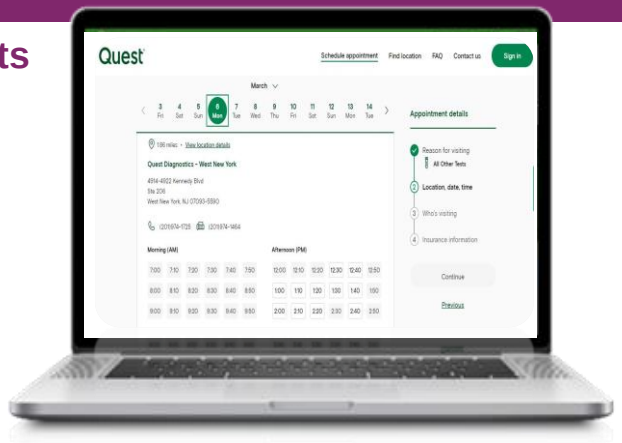
- Investigate & choose
- Onboarding
- Visit
- Results
- Billing
- Ongoing relationship

We have made progress addressing their needs through a complete digital experience

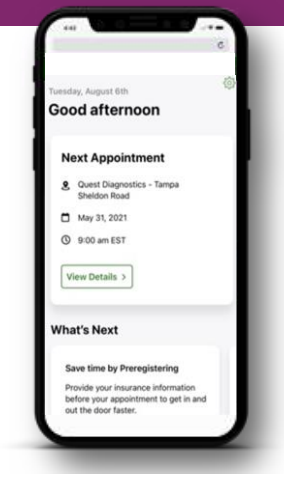
Patient



Scheduled appointments
▲ 80%



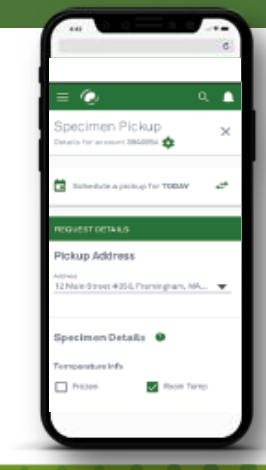
Pre-registration
▲ 23%



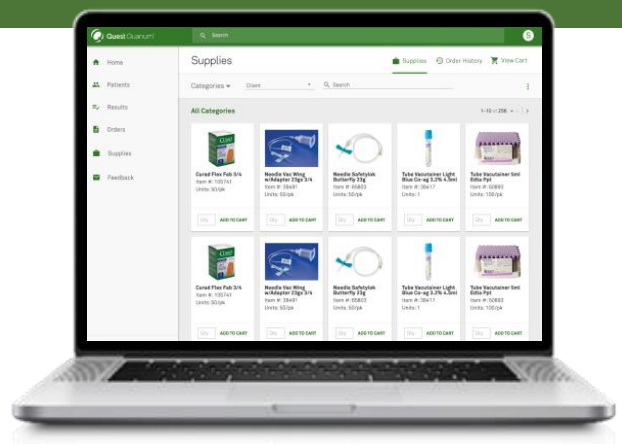
Healthcare Provider



Online specimen pick-up
▲ 178%



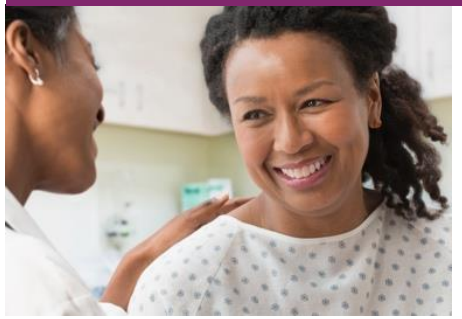
Online supply ordering
▲ 20%



Improvements since 2020

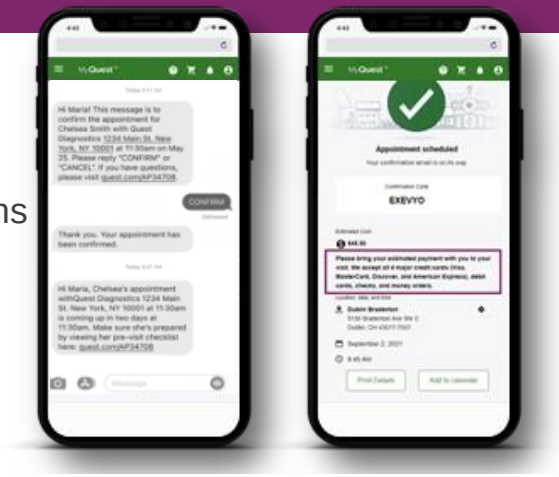
We are continuing to enhance the digital experience…

Patient



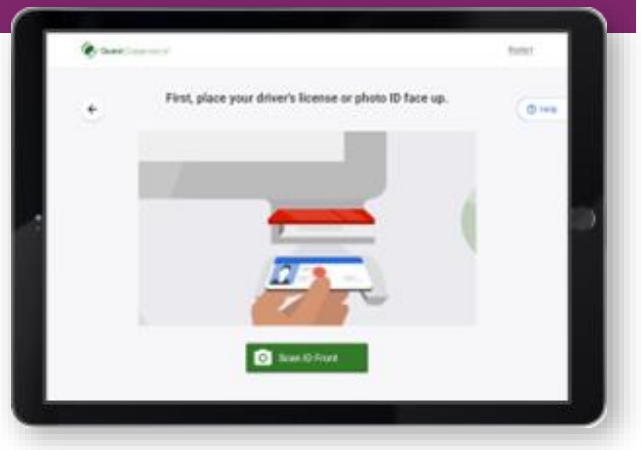
Digital Engagement

- Proactive communications
- Improved pre-registration



Enhanced Check-in

- Schedule appointment at check-in
- Capture insurance and ID

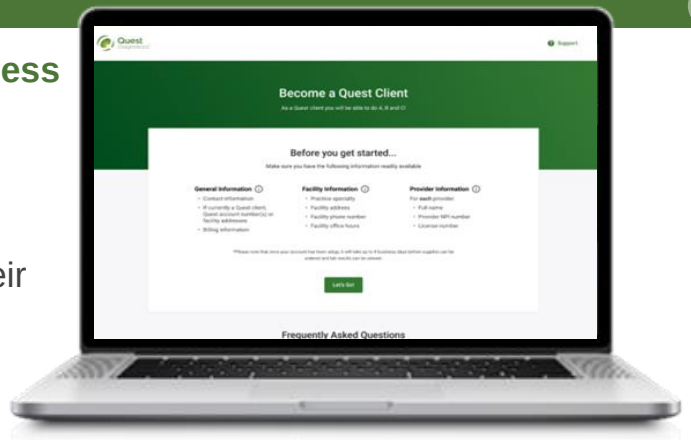


Healthcare Provider



Enable Speed of Business

- Automated account validation and setup
- Reduced time for customers to place their first order



Centralized Portal Technology

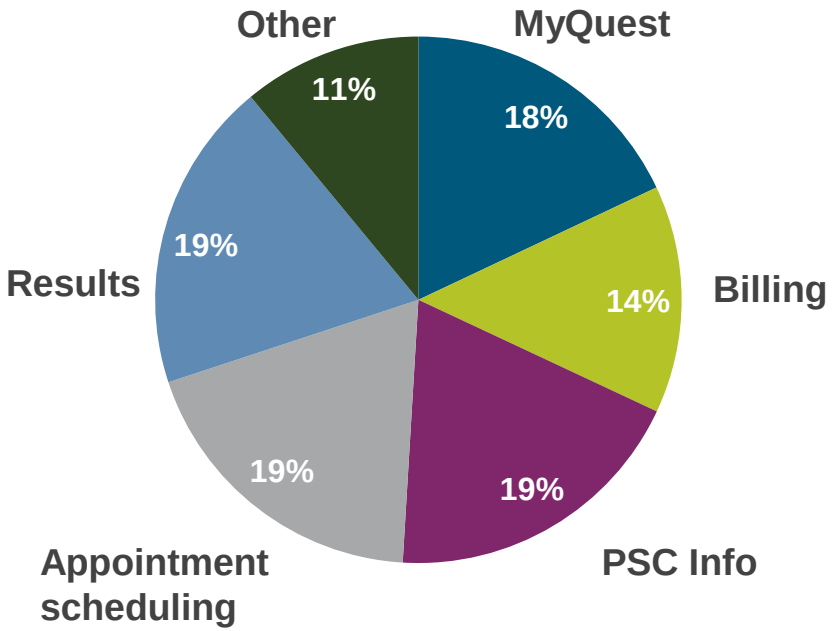
- Customizable to specific functions to serve their needs
- Simplifies conducting business



…and introducing an omni-channel strategy for our contact centers

Patients call us for many reasons

100% = 8.5M calls in 2022



We've made significant progress

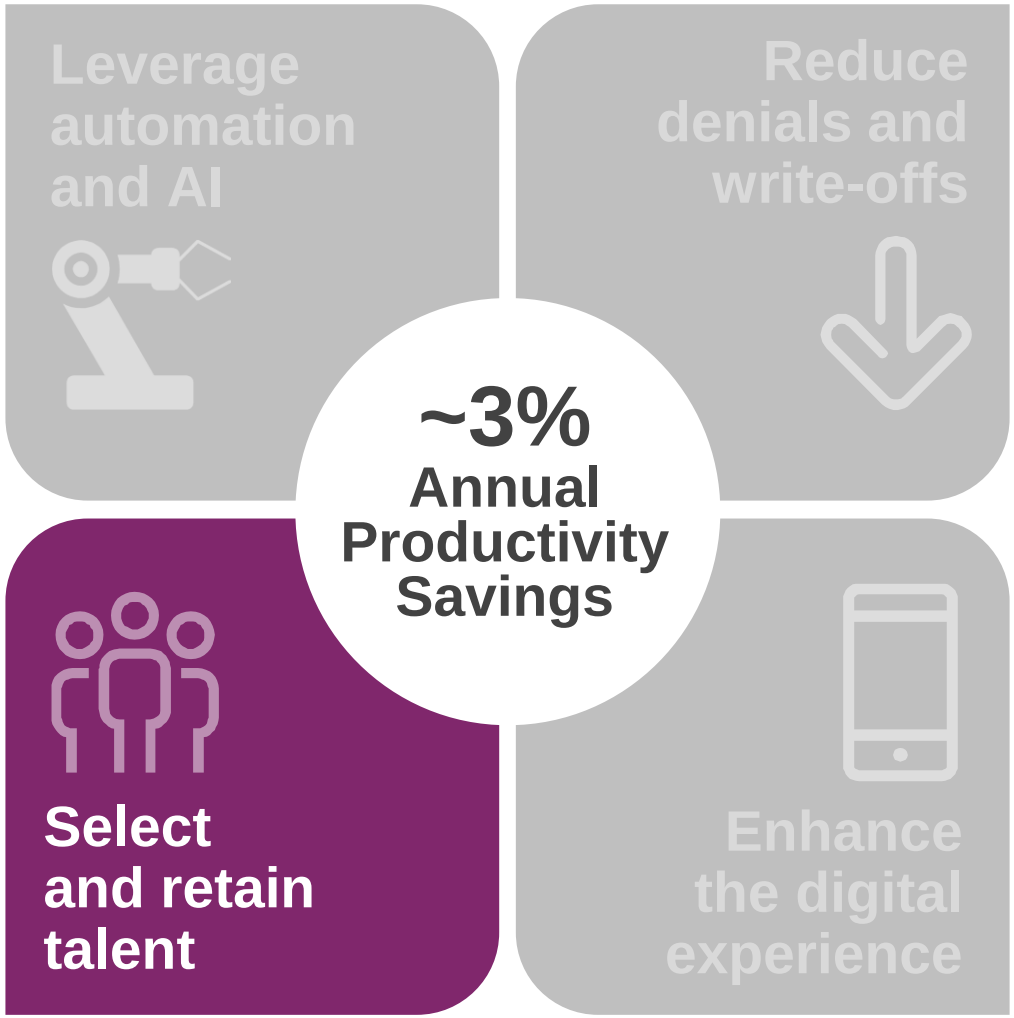
- Chatbot interactions ▲ 72%
- Live chat interactions ▲ 260%
- MyQuest support inquiries ▼ 44%
- Total number of calls ▼ 21%

Shifting these calls to digital is more convenient and less costly

- MyQuest portal
- Text messaging
- Chat
- Email
- Phone

Improvements since 2019 (chatbot, live chat); 2020 (MyQuest, calls)

Invigorate will continue to deliver operational efficiency while improving the customer experience through four major initiatives



Wage inflation and frontline retention impact productivity and increase costs

Market data

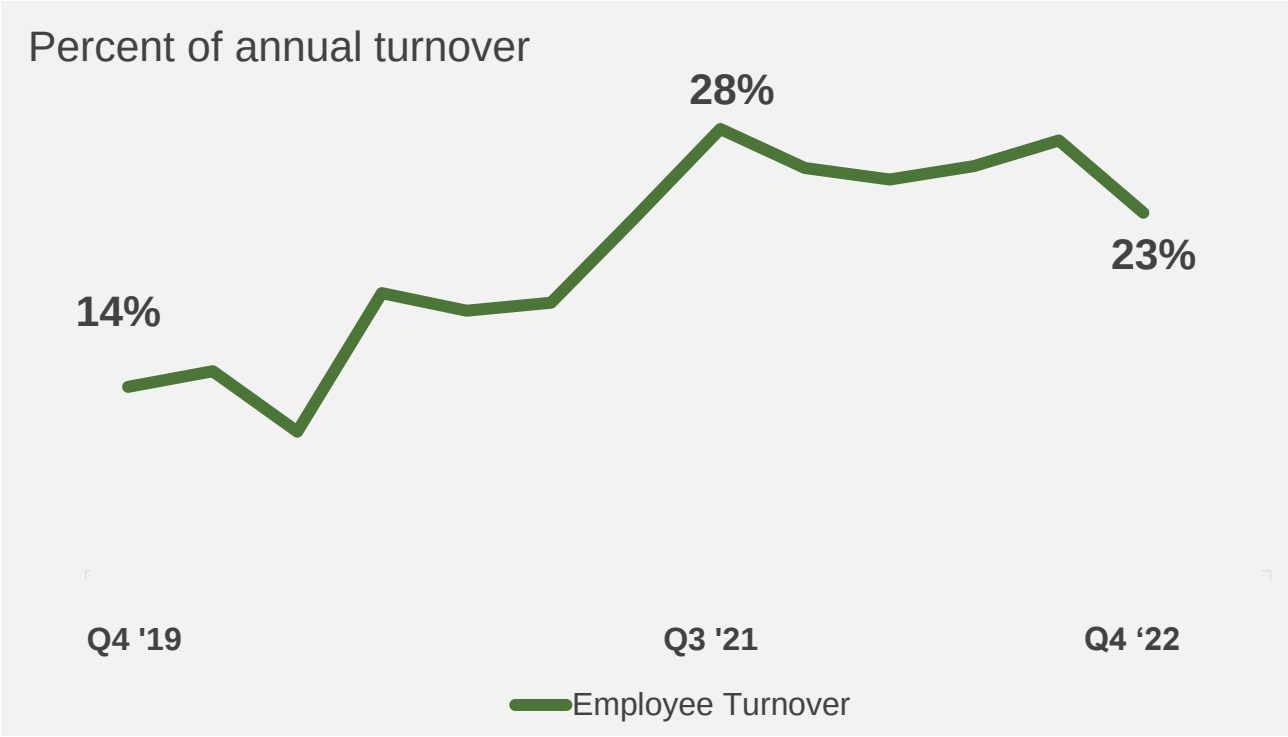
~20-25K

medical technologists shortage currently in the US [1]

5.1%

Wage inflation for the 12-month period ending in December 2022 [2]

Focus on frontline turnover



1. *Dark Daily*
2. *Employment Cost Index: December 2022 (bls.gov)*

Attracting, developing and retaining frontline talent will help address critical shortage and increase productivity



ATTRACT

- Expand phlebotomy school certification program
- Reduce time to hire through improved technology
- Expand early career operations rotation program

92%

Improved candidate experience resulting in new hire satisfaction

DEVELOP

- Partner with universities to build medical technologist pipeline
- Accelerate development of next generation of leaders
- Strengthen frontline leadership capabilities

26%

Reduction in turnover for Patient Services since mid-2022

RETAIN

- Increase retention through improved onboarding processes and expanded stay interview programs
- Expand career pathing for frontline talent
- Improve scheduling functionality to offer employee flexibility

74

Employee engagement index

Above healthcare industry benchmark

Key takeaways

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Opportunities remain along our value chain to continue to deliver ~3% in annual productivity savings

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