

# Driving Sustainable Growth, Delivering Long-term Value



William Blair 45<sup>th</sup> Annual Growth  
Stock Conference

**Jim Davis**

Chairman, CEO, and President

June 3, 2025

# Safe harbor disclosure

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The statements in this presentation 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, 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 and 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.

In the following presentation, references to adjusted EPS refer to adjusted diluted EPS. 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

**The clinical lab market is expected to remain strong, driven by health trends and diagnostic innovation**

**We have a proven strategy to generate above market growth in key channels**

**We expect our investments in advanced diagnostics to deliver double-digit revenue growth across 5 key clinical areas**

**Our operational strategy is designed to improve quality, customer experiences, and productivity**

**Long-term outlook beyond 2025:  
4% - 5% revenue CAGR and 7% - 9% adjusted EPS CAGR**



## PURPOSE ► WHY WE EXIST






**Working together  
to create a healthier world,  
one life at a time**

## STRATEGY ► HOW WE GROW

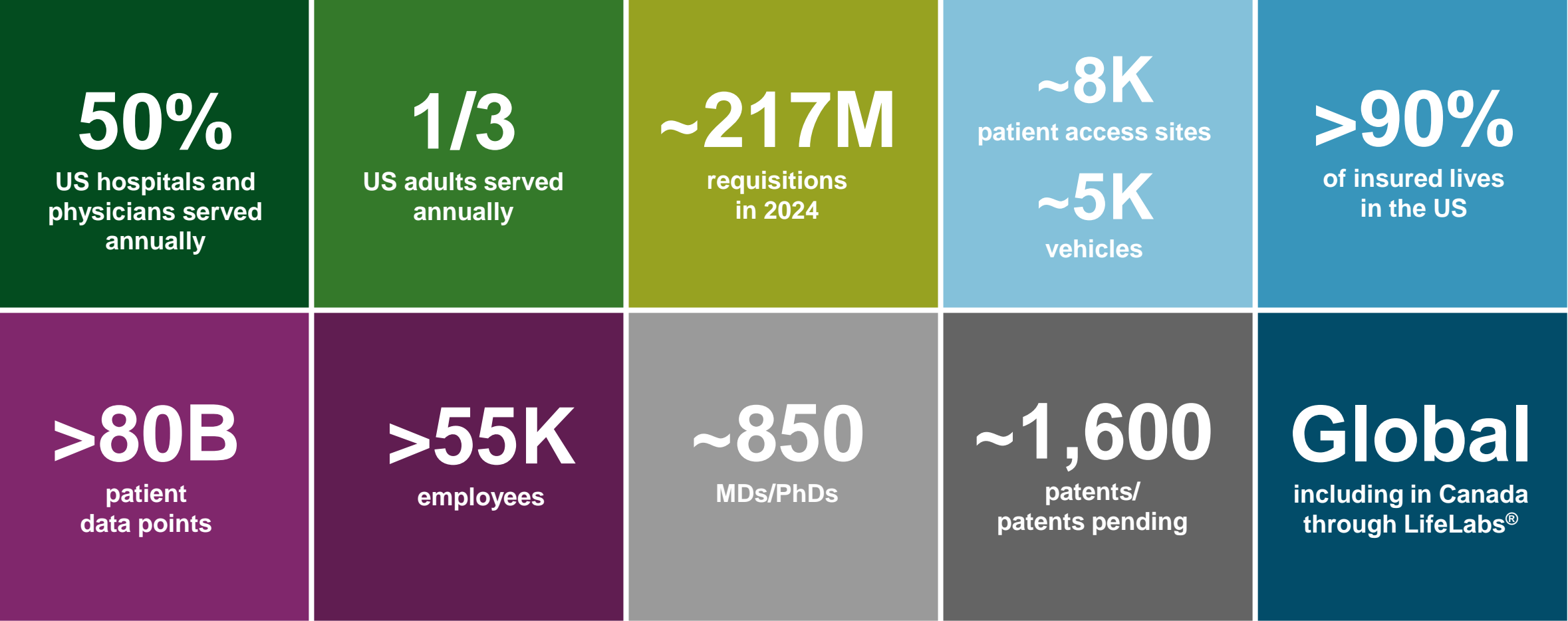
We help people make the best decisions to improve health by providing high-quality and affordable diagnostic testing insights and services using our scale and extensive reach

## CULTURE ► HOW WE WORK

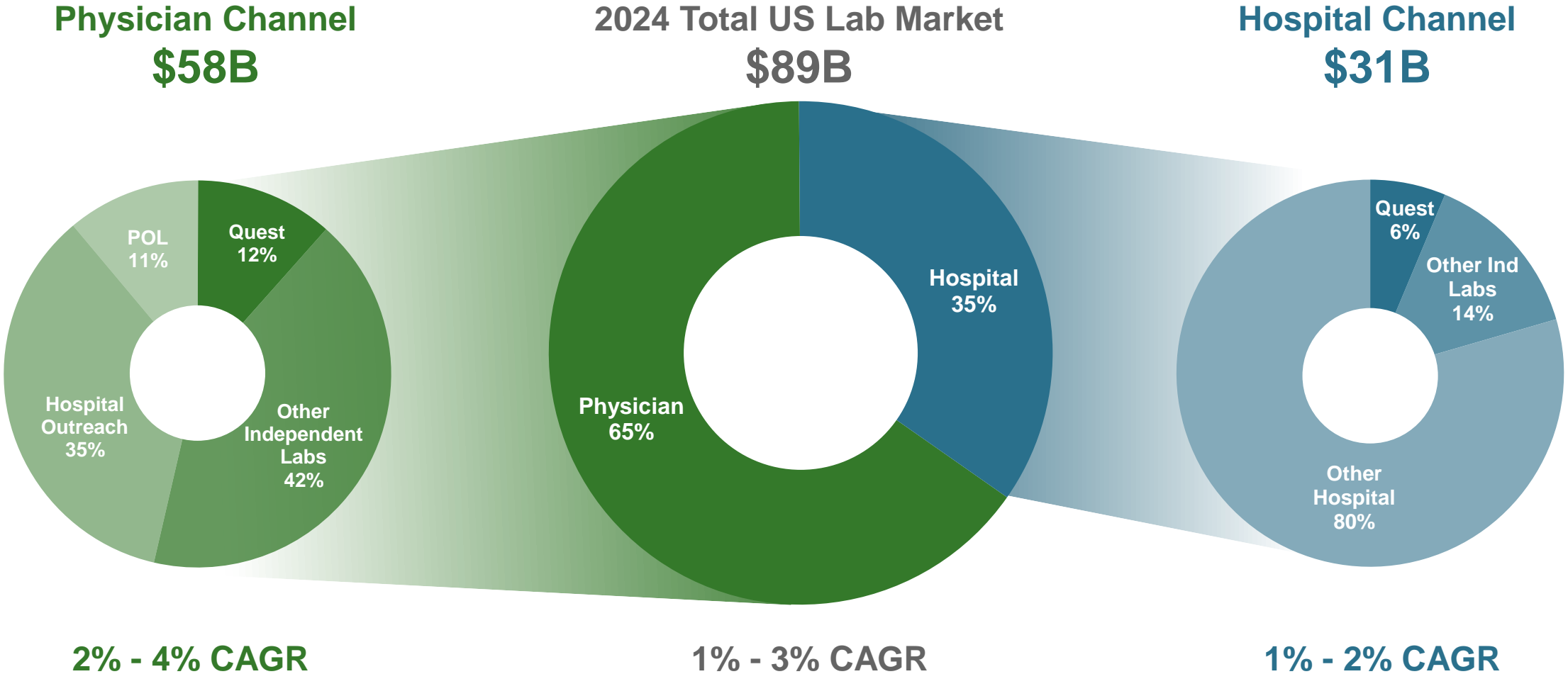
### The 5Cs

-  Customer first
-  Care
-  Collaboration
-  Continuous improvement
-  Curiosity

# Quest is a leading provider of diagnostic information services



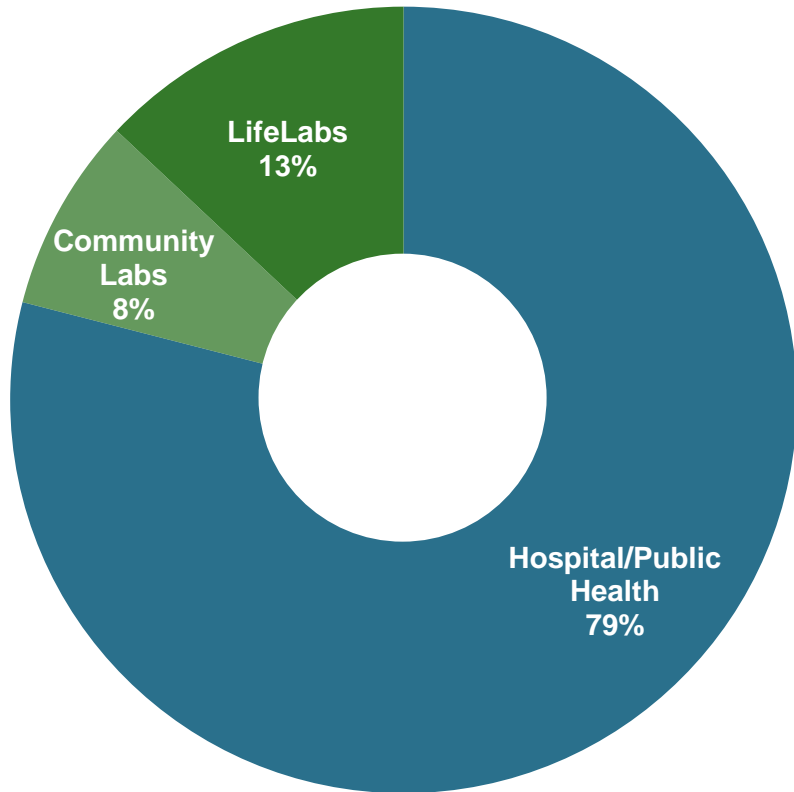
# Quest is well positioned in the nearly \$90 billion US lab market



POL: physician office laboratory.

# We are well positioned for growth in Canada's lab market

2024 Total Canadian Lab Market  
~\$5B



~3% CAGR



41M people

- Leading provider of clinical laboratory testing in Canada
- Headquartered in Toronto
- 5 primary labs and 350 collection centers

## Strong growth opportunities in Canada

- Broadening access to lab services, including advanced diagnostics
- Expanding into new provinces
- Increasing consumer interest

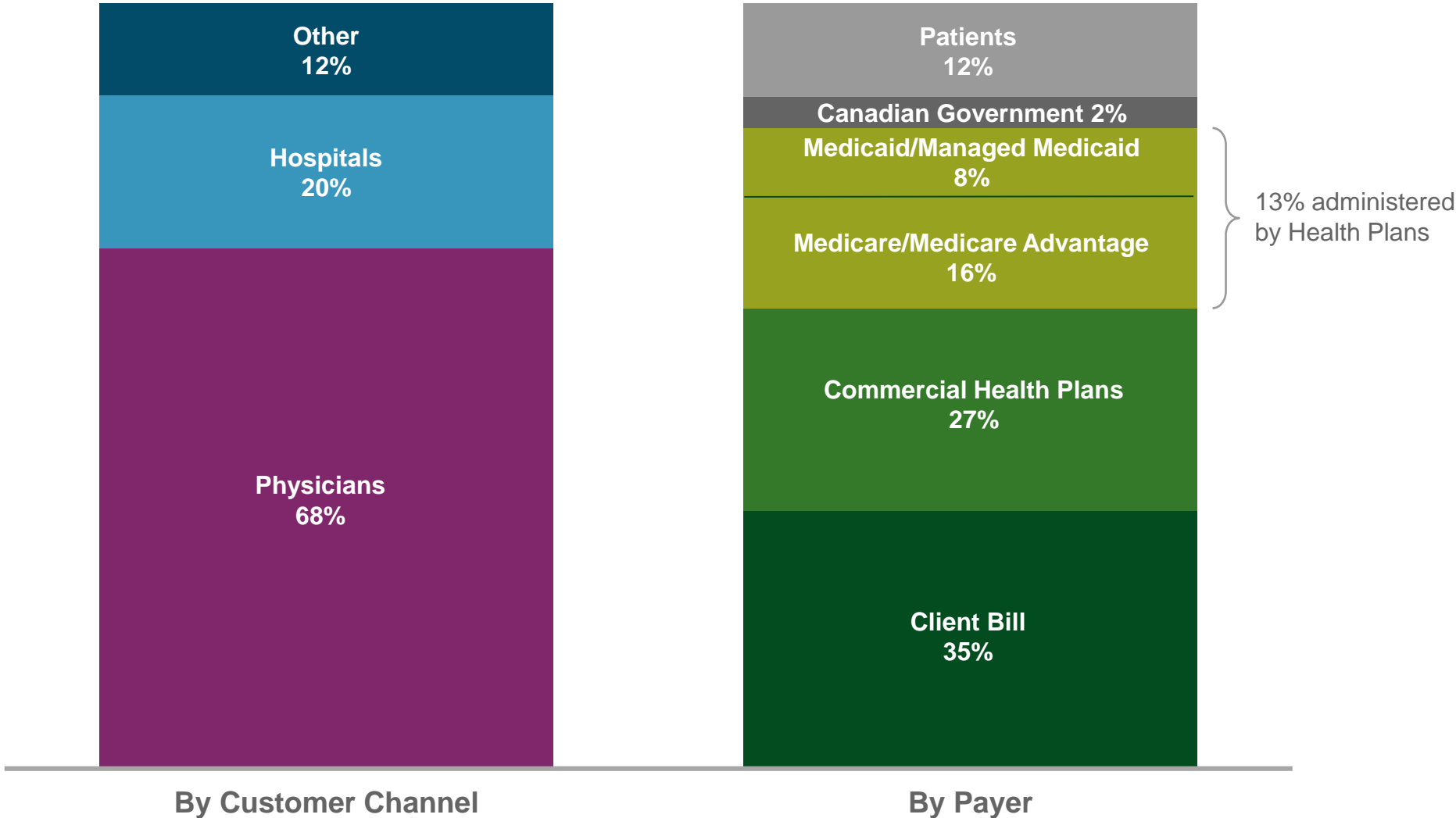
# Nearly 90% of our revenues come from physicians and hospitals

**~\$9.9B**

2024 revenues

**+6.7%**

growth year-over-year



# Macro trends continue to shape healthcare and favor Quest



**Demographic shifts—  
older, sicker  
population**



**Innovations  
in lab  
diagnostics**



**Greater adoption  
of AI and  
automation**



**Consumer focus  
on prevention  
and wellness**

# The US population is growing older and sicker

**74%**

of adults live with excess weight or obesity

**40%**

of children live with excess weight or obesity

**52%**

of adults have prediabetes or T2D

**30%**

of teens have prediabetes

**79%**

increase in early-onset cancers

**1 in 2**

people will get cancer in their lifetime

**2%–12%**

annual increase in autoimmune diseases

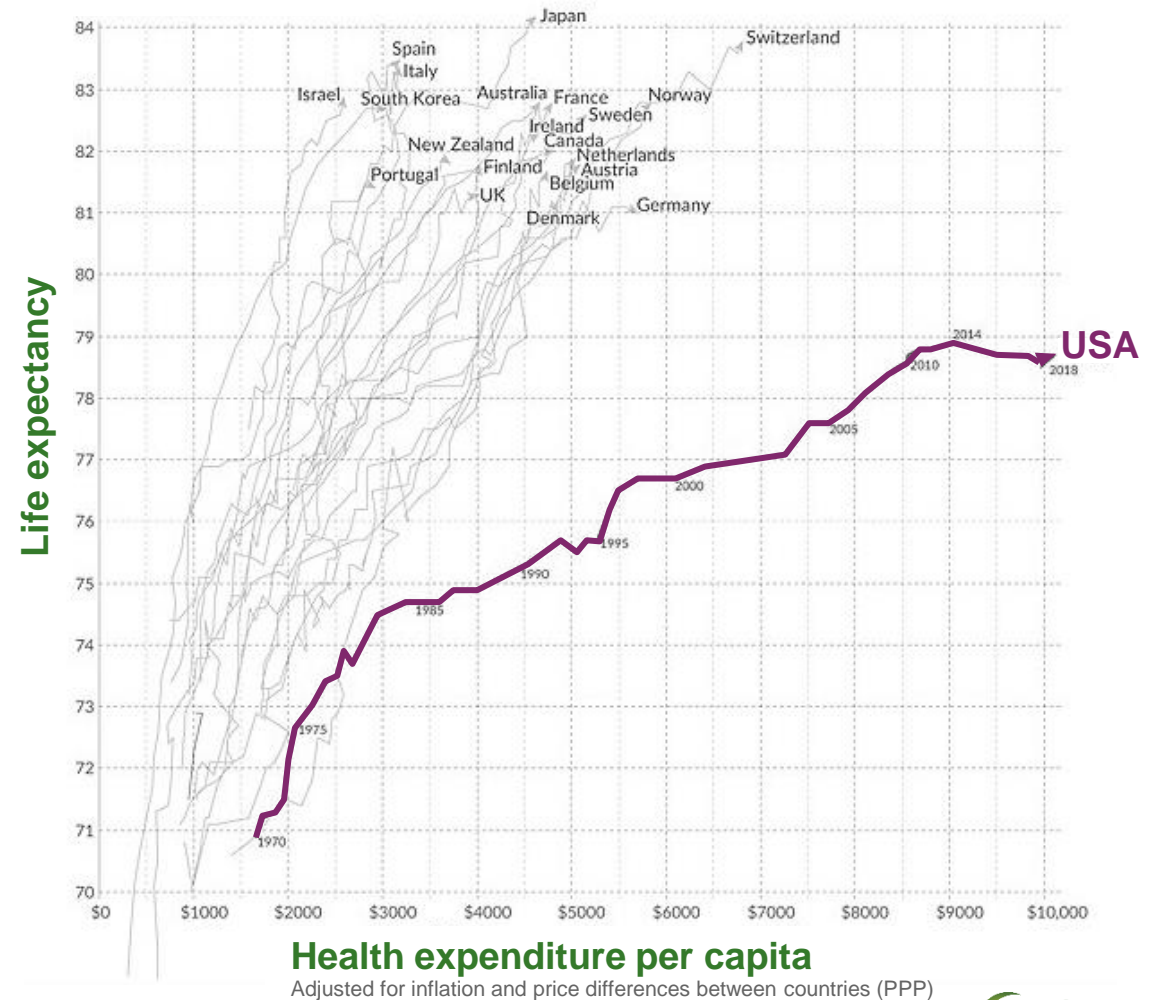
**Triple** the rate of dementia and Alzheimer's disease since 2013

**Triple** the rate of infant and maternal mortality despite spending the most

**Decline** in life expectancy driven by COVID-19, suicide, and liver and heart disease

## Life expectancy vs health expenditure

From 1970 to 2018



# Our strategy supports above market growth in key channels

## Physicians

**4% - 5%**

CAGR

- Capitalize on expanded health plan network access
- Extend geographic reach
- Become a partner of choice for large enterprise customers

## Hospitals

**5% - 6%**

CAGR

- Serve hospitals through scaled reference testing
- Provide Collaborative Lab Solutions (formerly Professional Lab Services)
- Expand in new geographies through outreach acquisitions

## Expand in high-growth areas

**>20%**

CAGR

- Drive growth in consumer-initiated testing
- Support life sciences partners with testing and services
- Deliver insights through data analytics

**Lead in advanced diagnostics through science and innovation**

**Deliver a better customer experience and productivity improvements through technology**

**Long-term outlook beyond 2025:  
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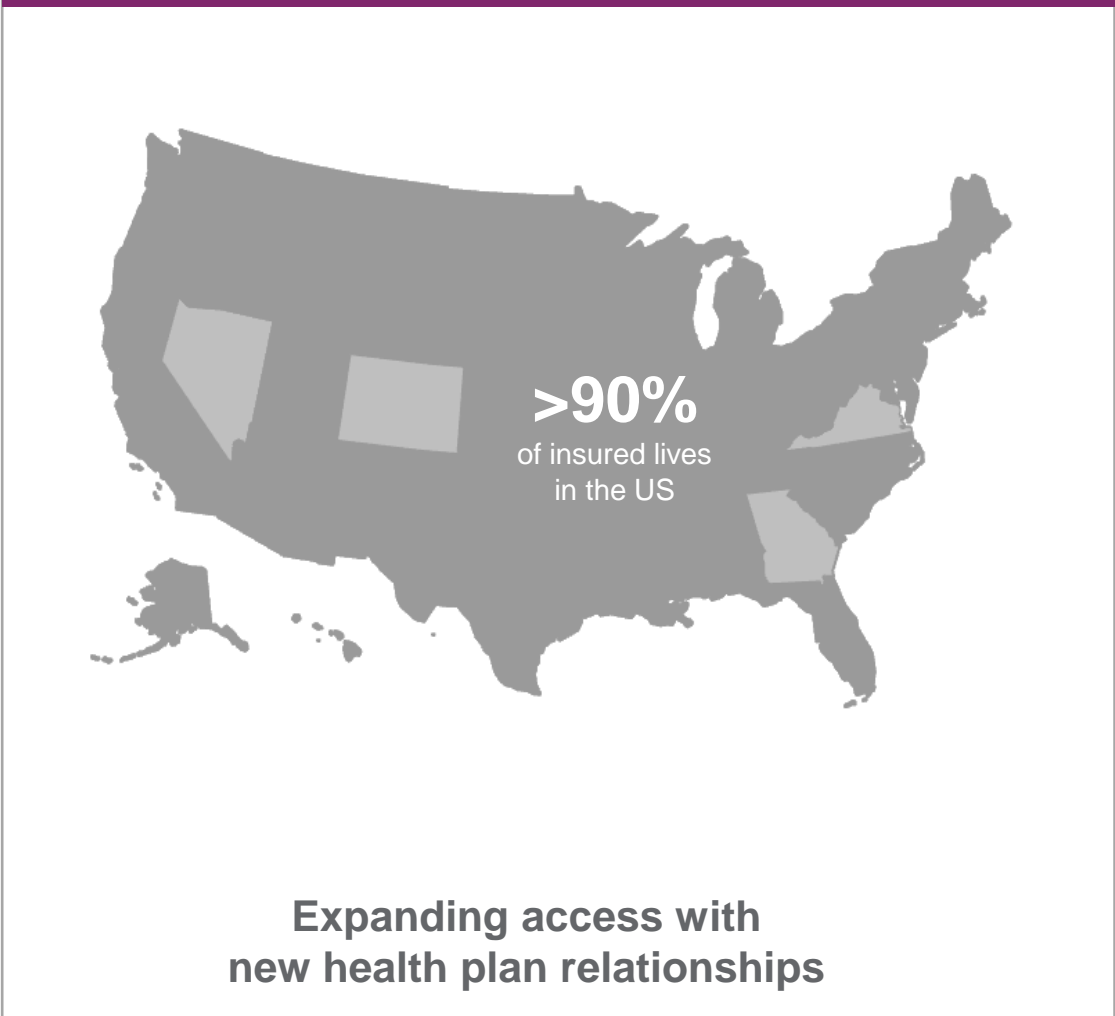
# Our unique strengths will enable us to capitalize on physician market trends



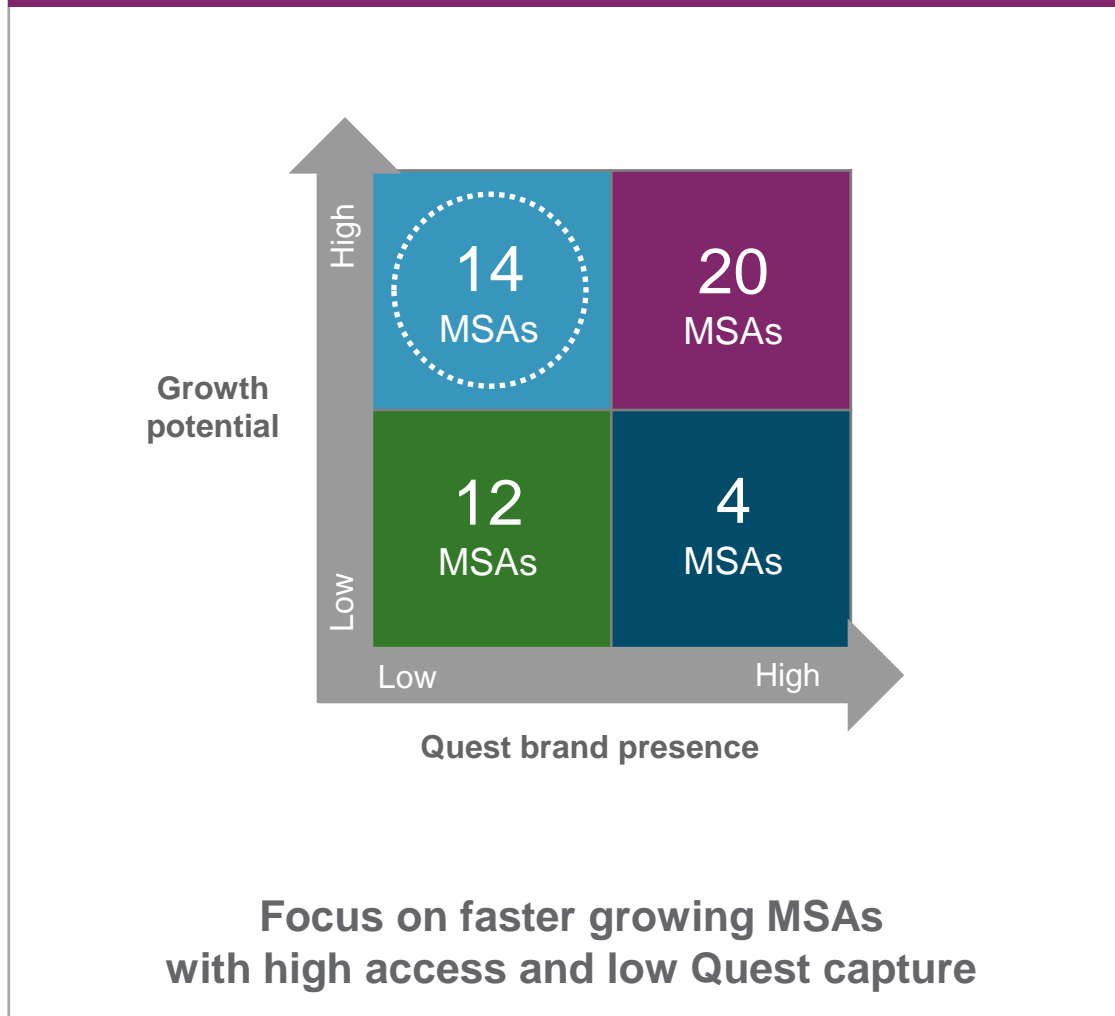
PSCs: patient service centers; IOPs: in-office phlebotomists.

# We are leveraging our health plan access to increase our presence in new geographies

## Over 1 million net new lives added

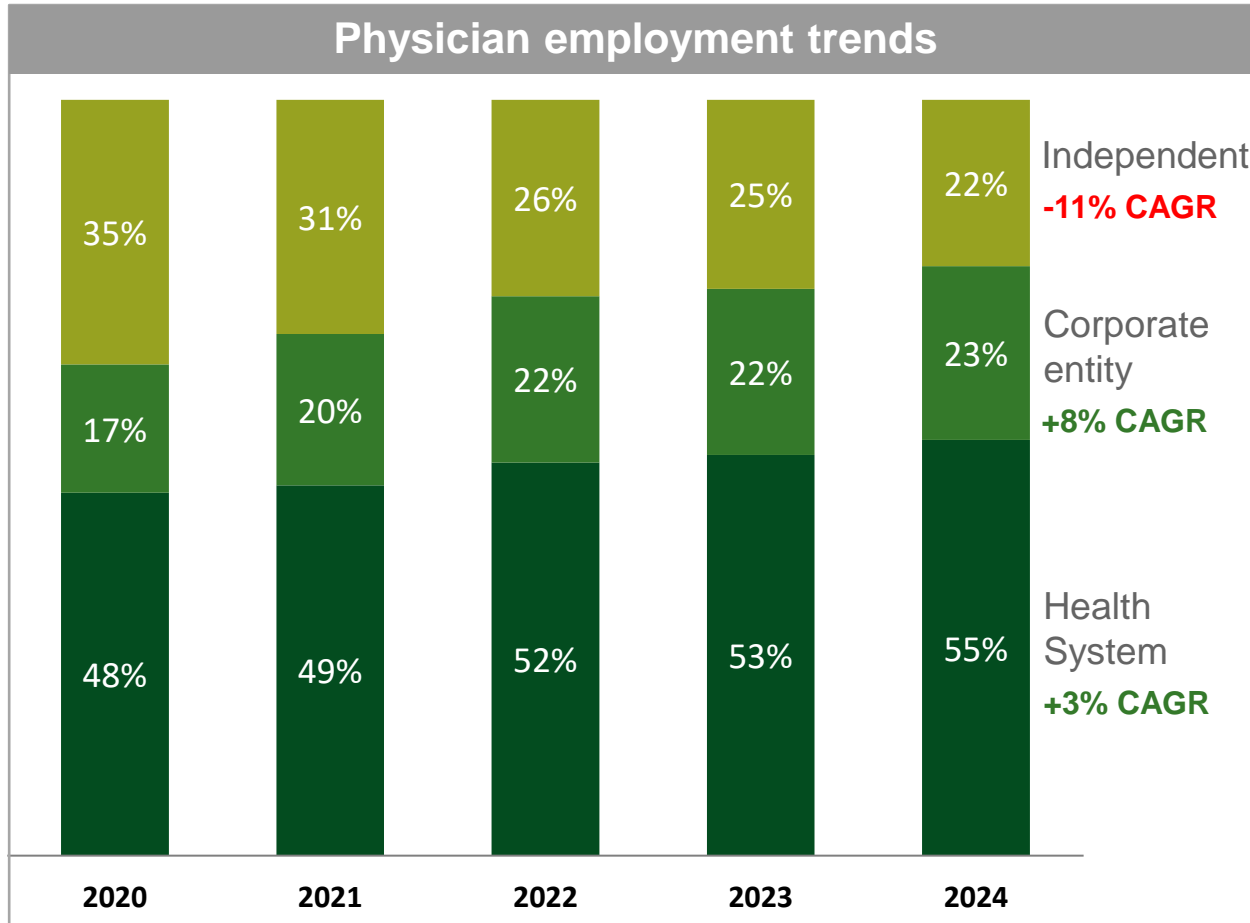


## Segmentation of top 50 MSAs



MSAs: metropolitan statistical areas.

# We continue to expand our focus beyond independent physicians to include enterprise accounts



### Executives/Influencers

- C-Suite, executive leaders, influencers of lab decisions
- Representing finance, medical, operations, analytics, etc.

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#### What do they care about?

- Connectivity, integration and national scale
- Improved efficiency and patient access
- Patient and physician satisfaction and engagement
- Improved quality scores
- Population health and data

Quest's enterprise commercial team is well positioned to partner with large physician groups seeking scaled solutions

# Hospitals continue to face headwinds and value scaled providers



**Wage and supply  
inflation**



**Workforce  
shortages**



**Cost  
of capital**

# We have a diverse, collaborative approach for helping hospitals improve quality, efficiency and access capital



## Reference testing

- Comprehensive menu across continuum of care for one-stop shop
- Reduces the need for hospitals to invest in advanced technologies
- **Over \$1.1B** in revenues today



## Collaborative Lab Solutions (CoLab)

- Professional lab management and related services based on expertise and scale
- Broader than Professional Lab Services
- **~\$800M** in revenues today



## Outreach/JVs

- Access to capital to invest in core assets
- Continued access to diagnostic innovation
- Enhanced affordability

Note: CoLab previously known as Professional Lab Services

# We are positioned to deliver strong double-digit growth in key high-growth areas



## Consumer

- ~\$100M in revenue (direct sales + channel partners)
- Questhealth.com consumer-initiated testing
- Partnerships
- Menu expansion



## Life Sciences

- ~\$90M in revenue
- Phase I – IV decentralized clinical trials
- Companion diagnostics and assay development
- *In vitro* diagnostic studies



## Analytics

- ~\$40M in revenue
- Cross channel
- Direct sales
- Integrators

**These channels are expected to deliver >20% combined CAGR**

# We expect new and existing advanced diagnostic tests in 5 key clinical areas to deliver double-digit growth

## Oncology



- Haystack MRD™
- IsoPSA
- STEP500 liquid and tissue

## Advanced Cardiometabolic Health



- ApoB
- Lipoprotein(a)
- Insulin resistance panel with score

## Women's & Reproductive Health



- QNatal® Advanced (NIPS)
- QHerit® carrier screening

## Brain Health



- AD-Detect™ Alzheimer's disease blood testing
- New liquid biomarkers

## Autoimmune Disorders

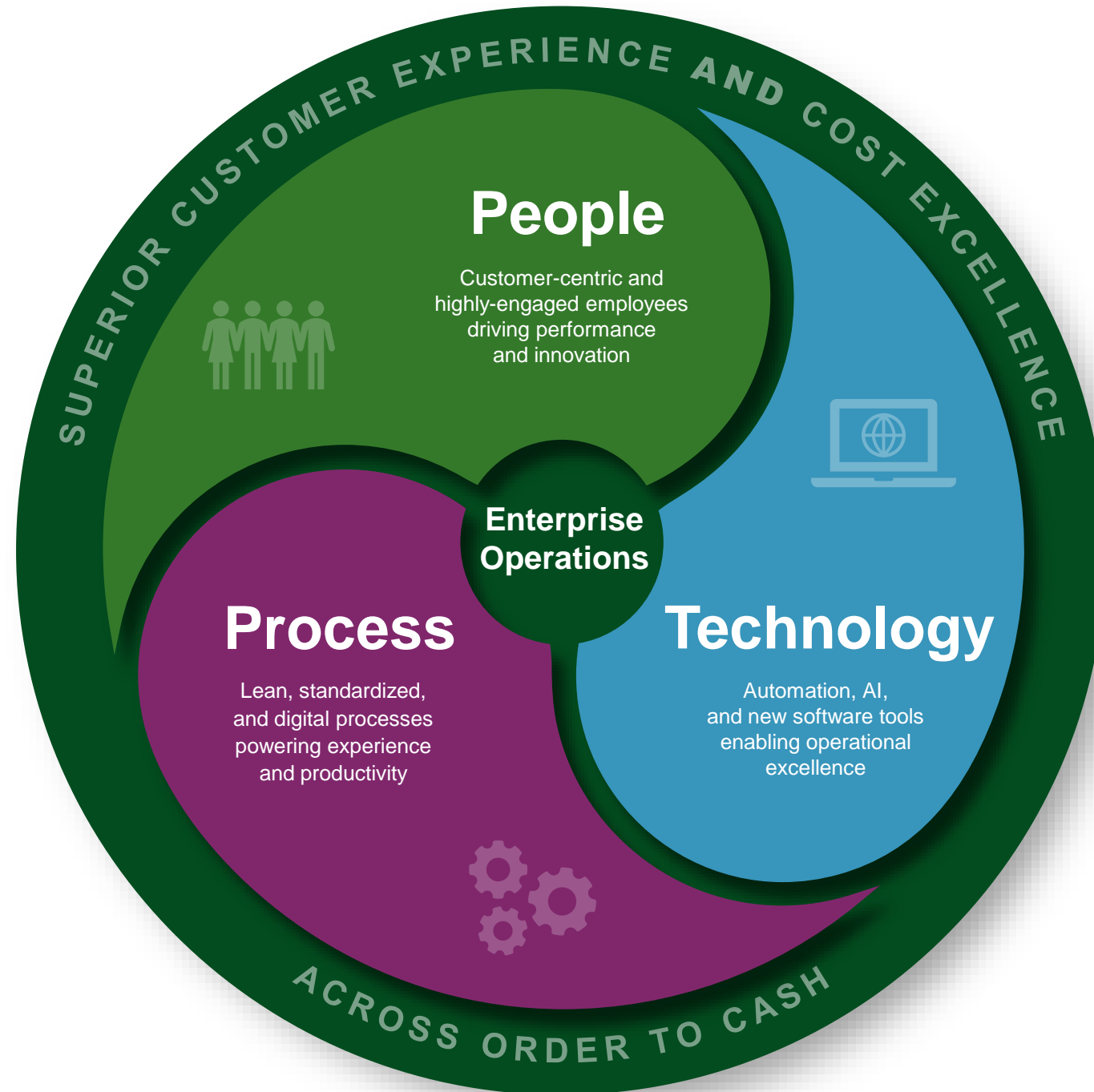


- ANALyzeR™ primary care screening
- Therapy guidance (RA, IBD)

**In these 5 areas, advanced diagnostic tests generated ~\$900 million in 2024**

**Engaged people,  
lean processes  
and technology  
investments  
improve quality,  
productivity, and  
the customer  
experience**

**3%** annual productivity  
and cost savings target  
through Invigorate



# AI and automation for better quality and productivity



**Automated  
accessioning station**



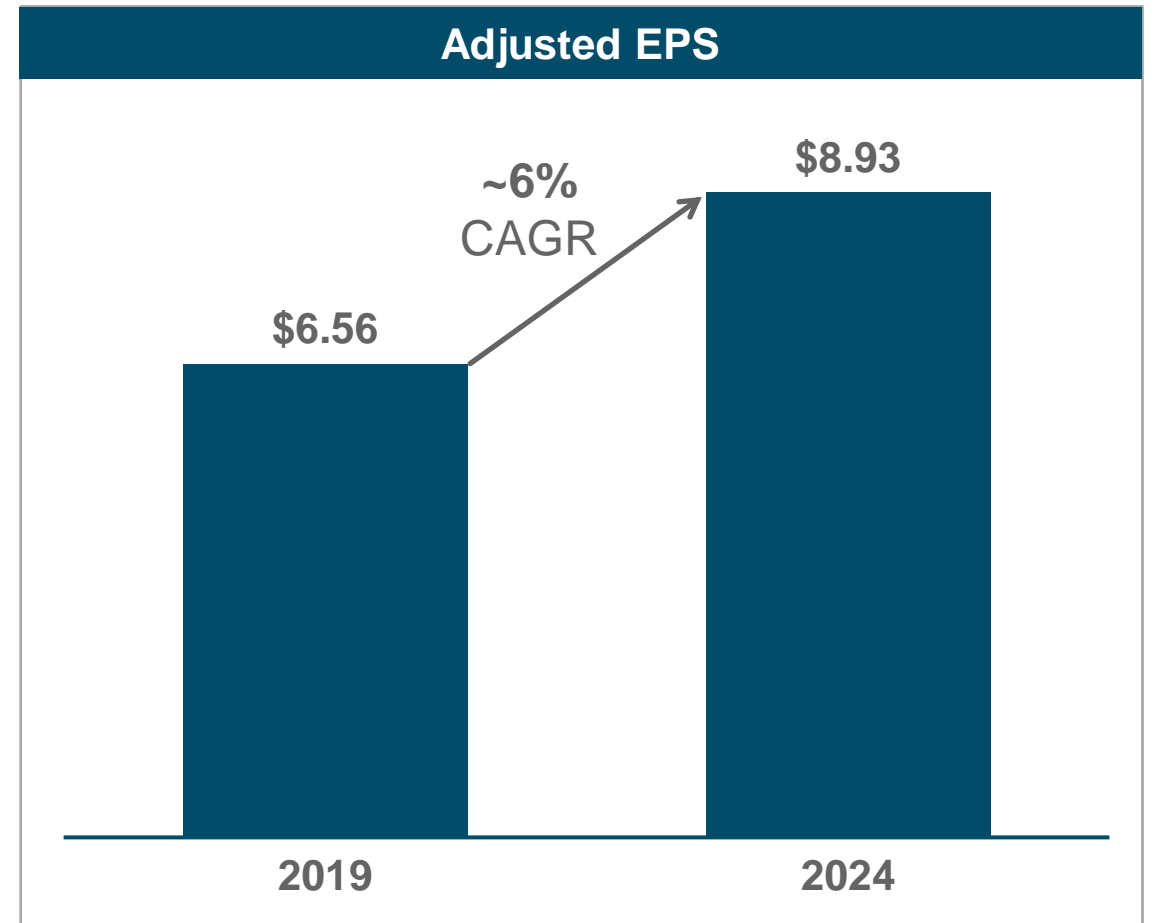
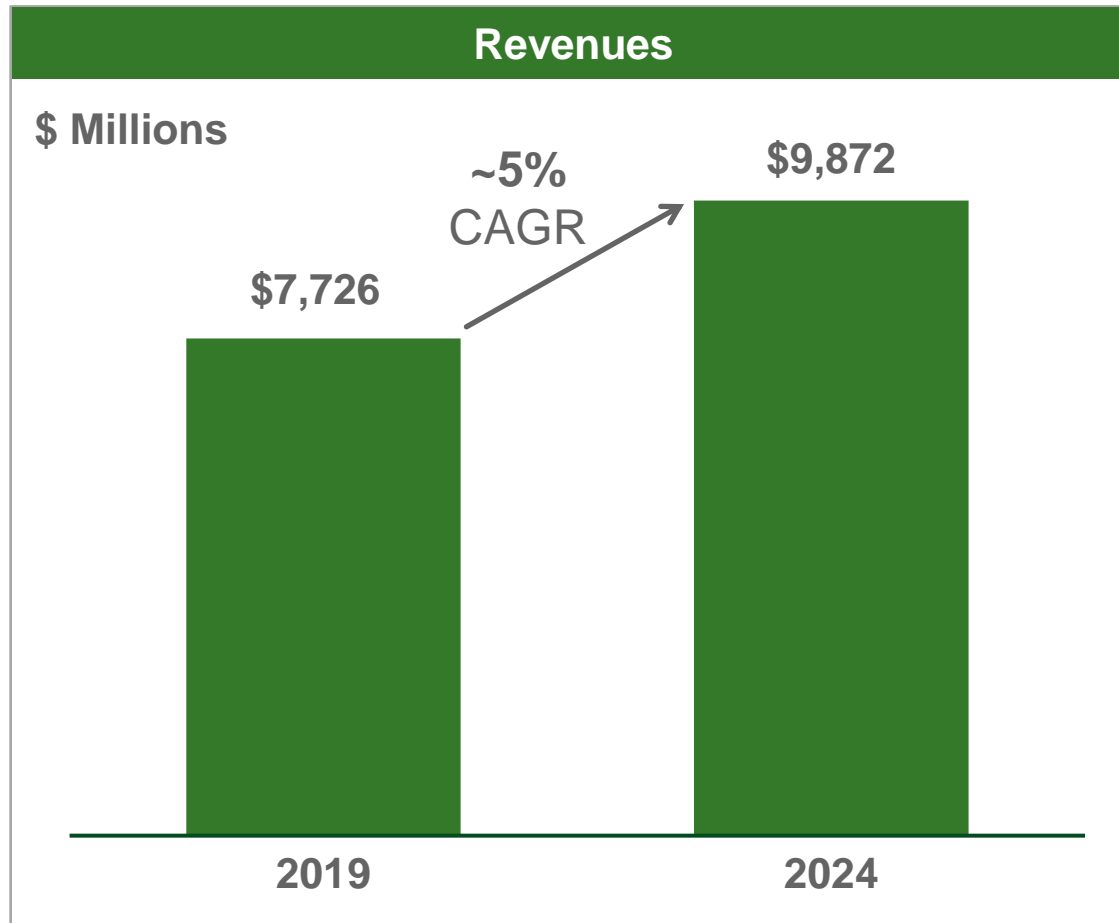
**Automated specimen  
preparation**



**Mobile cobots**

# We have had a consistent track record of generating profitable growth over the long term

Over the last 5 years we delivered a ~5% revenue CAGR and ~6% adjusted EPS CAGR



# We are well positioned to accelerate revenue and earnings growth

Recap of full year 2025 guidance and assumptions

## 2025 Revenue Guidance

**\$10.70B - \$10.85B**

+8.4% to +9.9% y-o-y

**\$10.78B**

Midpoint  
+9.1% y-o-y

## 2025 Adjusted EPS Guidance

**\$9.55 - \$9.80**

**\$9.68**

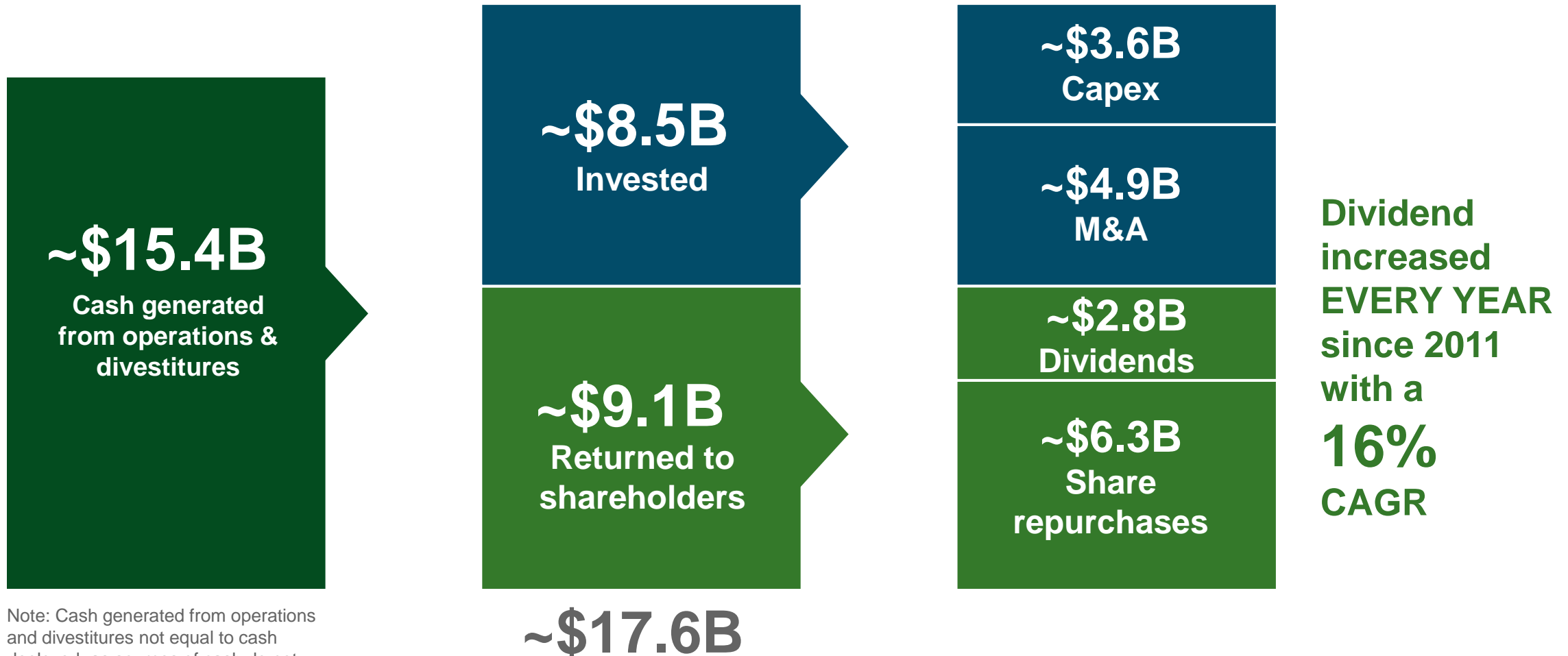
Midpoint  
+8.3% y-o-y

## 2025 Guidance Assumptions

- ~3% organic revenue growth
- Haystack MRD™ expected to be **slightly less dilutive** versus the prior year
- **\$30M** of investment to fund IT modernization (Project Nova) and strengthen regulatory capabilities
- Operating margin is expected to **expand** versus the prior year
- Net interest expense expected to be **~\$275M**
- Adjusted tax rate expected to be approximately **25%**
- **~114M** diluted shares outstanding

# We have had a balanced approach to capital deployment over the last 10 years

2015-2024: Investing in our business while returning capital to shareholders



Note: Cash generated from operations and divestitures not equal to cash deployed, as sources of cash do not include increase in debt over this period.

# We target M&A in 3 key strategic areas

Completed 8 acquisitions in 2024

## Regional independent labs



NY Physicians

## Health system outreach labs



## Capability-building assets



## Targeted financial criteria

Accretive to adj EPS  
in year 1

Accretive to ROIC  
(at least 10%) by year 3

# Our long-term outlook beyond 2025 assumes steady revenue and earnings growth

<b>Total revenues</b>	4% - 5% CAGR Includes 1% - 2% growth from new acquisitions
<b>Operating margins</b>	+75 to +150 basis points by the end of 2027
<b>Adjusted EPS*</b>	7% - 9% CAGR
<b>Free cash flow</b>	Free cash flow growth commensurate with earnings growth

**Adjusted EPS growth plus our dividend yield expected to deliver a high single-digit to low double-digit CAGR**

# Key takeaways

The clinical lab market is expected to remain strong, driven by health trends and diagnostic innovation

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Long-term outlook beyond 2025:  
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# Note on Non-GAAP Financial Measures

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As used in this presentation 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, gains and losses on investments, and excess tax benefits (“ETB”) associated with stock-based compensation.

The company has provided discussion of projected operating margin, which is adjusted operating income as a percentage of net revenues, and a compound annual growth rate projection beyond 2025 of 7%-9% for adjusted diluted earnings per share (“EPS”), which are non-GAAP measures. The company is unable to present a reconciliation of adjusted operating income as a percentage of net revenues to operating income as a percentage of net revenues and adjusted diluted EPS to reported diluted EPS, the most comparable GAAP measure due to the inherent uncertainty and variability in the nature and amount of special items referenced above, and the amount of these items could be significant in any of the associated periods.

Non-GAAP 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.

# Adjusted diluted EPS from continuing operations

The following table reconciles adjusted diluted earnings per share from continuing operations ("Diluted EPS") to reported results under GAAP.

	Twelve months ended December 31,		Twelve months ended December 31, 2025	
	2019	2024	Low	High
Diluted EPS - as reported	\$6.13	\$7.69	\$8.62	\$8.87
Amortization of intangible assets (a)	0.61	0.84	1.04	1.04
Restructuring and integration charges (b)	0.42	0.42	0.27	0.27
Other (c)	(0.50)	(0.04)	(0.24)	(0.24)
Gains and losses on investments (d)	-	0.10	-	-
Excess tax benefits associated with stock-based compensation	(0.10)	(0.08)	(0.14)	(0.14)
Diluted EPS - as adjusted	\$6.56	\$8.93	\$9.55	\$9.80

# Adjusted diluted EPS from continuing operations

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(a) Income tax impacts were primarily calculated using combined statutory tax rates of 25.5%.

(b) Represents costs primarily associated with workforce reductions, systems conversions and integration incurred in connection with further restructuring and integrating our business. Income tax impacts were primarily calculated using combined statutory tax rates of 25.5%.

(c) For the twelve months ended December 31, 2025, includes estimated pre-tax net losses of \$12 million associated with the increase in the fair value of the contingent consideration accrual associated with previous acquisitions. No income tax benefits are recorded on the changes associated with the contingent consideration accrual. The twelve months ended December 31, 2025 also includes a pre-tax gain of \$46 million related to a payroll tax credit under the Coronavirus Aid, Relief, and Economic Security Act associated with the retention of employees and a non-recurring gain of \$8 million related to a lease. Income tax impacts on the gains were calculated using a combined statutory income tax rate of 25.5%. For the twelve months ended December 31, 2024, includes pre-tax losses associated with the change in the fair value of the contingent consideration accrual associated with previous acquisition and a non-recurring \$8 million pre-tax gain associated with a foreign exchange forward contract utilized in conjunction with an acquisition. No income tax benefits are recorded on the losses associated with the contingent consideration accrual. For the twelve months ended December 31, 2019, primarily represents a gain associated with the sale and leaseback of a property, a gain associated with the decrease in the fair value of the contingent consideration accruals associated with previous acquisitions, and a gain associated with an insurance claim for hurricane related losses, partially offset by costs incurred related to a data security incident and non-cash asset impairment charges. Income tax impacts were primarily calculated using combined statutory tax rates of 25.5%. For the gain associated with an insurance claim for hurricane related losses in 2019, there was no net income tax expense as we were able to utilize net operating loss carryforwards for which a valuation allowance had previously been established. For the gain in 2019 associated with the decrease in the fair value of the contingent consideration accruals associated with previous acquisitions, there was no net income tax expense related to acquisitions for which the gain was non-taxable.

(d) Primarily represents gains and losses associated with changes in the carrying value of our strategic investments. Income tax impacts were primarily calculated using combined statutory tax rates of 25.5%.