

LABORATORY CORP OF AMERICA HOLDINGS
Form 8-K
November 10, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

November 10, 2009
(Date of earliest event reported)

**LABORATORY CORPORATION OF
AMERICA HOLDINGS**

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

1-11353

13-3757370

(State or other jurisdiction
of Incorporation)

(Commission
File Number)

(I.R.S.
Employer
Identification
No.)

**358 SOUTH MAIN STREET,
BURLINGTON, NORTH CAROLINA**

27215

336-229-1127

(Address of principal executive offices)

(Zip
Code)

(Registrant's telephone number including area
code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. Regulation FD Disclosure

Summary information of the Company in connection with the presentation at the Credit Suisse 18th Annual Healthcare Conference on November 13, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Laboratory Corporation of America Holdings

(Registrant)

Date: November 10, 2009

By: /s/F. Samuel Eberts III
F. Samuel Eberts III, Chief Legal Officer
and Secretary

Phoenix, AZ

November 13, 2009

Credit Suisse 18th Annual

Healthcare Conference

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This slide presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors.

Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 2008, and subsequent SEC filings.

Forward Looking Statement

Introduction

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Leading National

Lab Provider

Fastest growing national lab

\$52 Billion market

Clinical, Anatomic and Genomic Testing

Serving clients in all 50 states and Canada

Foremost clinical trials testing business

Introduction

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Valuable Service

Small component of total cost

influences large percentage

of clinical decisions

Screening, early detection,

and monitoring reduce

downstream costs

Companion diagnostics

improve drug efficacy and

reduce adverse drug effects

Attractive Market

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Attractive Market

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Growth Drivers

Aging population

Industry consolidation

Advances in genomics

Pharmacogenomics /

companion diagnostics

Cost pressures

Source: CDC National Ambulatory Medical Care Survey and Company Estimates

Attractive Market

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Opportunity to

Take Share

5,100 independent labs

High cost competitors

Attractive Market

Diversified Payor Mix

No customer > 9% of revenue

Limited government exposure

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Attractive Market

Diversified Test Mix

Esoteric 36% of revenue

Goal of 40% in 3 - 5 years

Higher priced business

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Competitive Position

Scale and Scope

National infrastructure

Broad test offering

Managed care contracts

Economies of scale

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Primary LabCorp Testing Locations*

Esoteric Lab Locations

(CET, CMBP, Dianon, Esoterix, Monogram Biosciences, NGI, OTS, US Labs, Viromed)

Patient Service Centers*

Competitive Position

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Standardized and

Efficient Processes

Improved patient intake

Automation of pre-analytics

Capacity rationalization

Logistics optimization

Scientific

Leadership

Introduction of new tests

Acquisitions and licensing

Collaborations with leading

companies and academic

institutions

Competitive Position

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2009 Priorities

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Our Focus

Gain new customers

Maintain Price

Control costs

Implement Automation

Advance leadership in
personalized medicine

2009 Priorities

14

Gain New Customers

Target specialty physicians

Co-marketing with partners

in science

Appropriate promotion of

specialty tests

2009 Priorities

Maintain Price

Focus on high-value tests

Promote outcomes improvement

4.5% Medicare rate increase

Managed care stability

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Control Costs

Renegotiate leases

Review supply chain

Contain discretionary expenses

Control bad debt

Continue to appropriately

fund growth

2009 Priorities

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Advance

Personalized

Medicine

Increase esoteric testing

Expand outcome improvement

programs

Develop and commercialize

companion diagnostics

2009 Priorities

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Increase

Esoteric Testing

Introduction of new tests

Acquisitions and licensing

Collaborations with academic

institutions

Advance Personalized Medicine

18

Expand Outcomes

Improvement

Litholink kidney stone

CKD

Continual development of

valuable programs

Advance Personalized Medicine

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Advance Personalized Medicine

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Develop

Companion Diagnostics

Invest in clinical trials

Relationships with biotech and
pharma companies

Promote key tests

(e.g., K-RAS, HLA-B* 5701,
CYP 450)

Excellent Performance

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Revenue and

EPS Growth

10% Revenue CAGR

17% EPS CAGR

(1) Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss; excluding the \$0.06 per diluted share impact in 2006 of restructuring and other special charges; excluding the \$0.25 per diluted share impact in 2007 of restructuring and other special charges; excluding the \$0.44 per diluted share impact in 2008 of restructuring and other special items

(2) EPS, as presented, represents adjusted, non-GAAP financial measures. Diluted EPS, as reported in the Company's Annual Report were: \$2.45 in 2004; \$2.71 in 2005; \$3.24 in 2006; \$3.93 in 2007; and \$4.16 in 2008.

Excellent Performance

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Leading Returns

Improving and leading returns

Leading EBIT margin

Excellent Performance

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Cash Flow

10% OCF CAGR

\$2.5 B+ share repurchase

Third Quarter and YTD 2009 Results

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2009

2008

+ / (-)

2009

2008

+ / (-)

Revenue

1,185.1

\$

1,135.1

\$

4.4%

3,529.7

\$

3,386.1

\$

4.2%

Adjusted Operating Income

237.6

\$

219.9

\$

8.0%

733.0

\$

717.2

\$

2.2%

Operating Income Margin

20.0%

19.4%

60

bp

20.8%

21.2%

(40)

bp

Adjusted EPS

1.22

\$

1.10

\$

10.9%

3.74

\$

3.48

\$

7.5%

Operating Cash Flow

246.4

\$

194.4

\$

26.7%

637.7

\$

565.6

\$

12.7%

Less: Capital Expenditures

(22.7)

\$

(41.5)

\$

-45.3%

(77.1)

\$

(120.4)

\$

-36.0%

Free Cash Flow

223.7

\$

152.9

\$

46.3%

560.6

\$

445.2

\$

25.9%

Nine Months Ended Sept 30,

Three Months Ended Sept 30,

Supplemental Financial Information

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YTD

Q1 09

Q2 09

Q3 09

2009

Bad debt as a percentage of sales

5.3%

5.3%

5.3%

5.3%

Days sales outstanding

52

50

48

48

A/R coverage (Allowance for Doubtful Accts. / A/R)

19.5%

20.6%

21.9%

21.9%

Other Financial Information

September 30, 2009

(\$ in million's)

Key Points

Critical position in health care delivery system

Leadership in personalized medicine

Stable pricing

Well positioned to gain share

Continued cost control

Excellent cash flow

Strong balance sheet

Conclusion

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