UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 001-41704

FORTREA HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware	**92-2796441**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8 Moore Drive Durham, North Carolina	**27713**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **(877)-495-0816**

Securities registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	**FTRE**	The NASDAQ Stock Market LLC
Rights to Purchase Series A Preferred Stock, par value $0.001 per share	-	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had outstanding 92.4 million shares of common stock as of November 3, 2025.

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PART I. FINANCIAL INFORMATION

PART II. OTHER INFORMATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)
(unaudited)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 131.3	$ 118.5
Accounts receivable and unbilled services, net	663.2	659.5
Prepaid expenses and other	124.0	170.2
Total current assets	918.5	948.2
Property, plant and equipment, net	147.6	156.3
Goodwill, net	958.1	1,710.4
Intangible assets, net	635.4	655.7
Deferred income taxes	8.3	5.2
Other assets, net	74.2	103.4
Total assets	$ 2,742.1	$ 3,579.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 49.5	$ 138.2
Accrued expenses and other current liabilities	369.6	369.8
Unearned revenue	411.6	353.3
Current portion of long-term debt	74.5	74.8
Short-term operating lease liabilities	9.2	13.4
Total current liabilities	914.4	949.5
Long-term debt, less current portion	1,052.1	1,049.7
Operating lease liabilities	51.5	60.6
Deferred income taxes and other tax liabilities	106.9	121.7
Other liabilities	36.4	35.3
Total liabilities	2,161.3	2,216.8
Commitments and contingent liabilities (Note 9)		
Equity		
Common stock, 92.2 and 89.7 shares outstanding at September 30, 2025 and December 31, 2024, respectively	0.1	0.1
Additional paid-in capital	2,101.8	2,042.2
Accumulated deficit	(1,350.7)	(397.0)
Accumulated other comprehensive loss	(170.4)	(282.9)
Total equity	580.8	1,362.4
Total liabilities and equity	$ 2,742.1	$ 3,579.2

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 701.3	$ 674.9	$ 2,062.9	$ 1,999.4
Costs and expenses:				
Direct costs, exclusive of depreciation and amortization	578.6	526.6	1,690.2	1,606.1
Selling, general and administrative expenses, exclusive of depreciation and amortization	106.8	136.3	353.4	412.6
Depreciation and amortization	19.6	21.2	58.7	64.5
Goodwill and other asset impairments	—	—	797.9	—
Restructuring and other charges	4.9	8.8	21.7	22.5
Total costs and expenses	709.9	692.9	2,921.9	2,105.7
Operating loss	(8.6)	(18.0)	(859.0)	(106.3)
Other income (expense):				
Interest expense	(22.6)	(22.4)	(68.2)	(101.9)
Foreign exchange loss	(2.6)	(0.2)	(28.1)	(7.0)
Other, net	5.1	4.8	7.9	15.1
Loss from continuing operations before income taxes	(28.7)	(35.8)	(947.4)	(200.1)
Income tax (benefit) expense	(12.8)	(17.3)	6.3	(2.5)
Loss from continuing operations	(15.9)	(18.5)	(953.7)	(197.6)
Loss from discontinued operations, net of tax	—	(9.4)	—	(69.7)
Net loss	$ (15.9)	$ (27.9)	$ (953.7)	$ (267.3)
Earnings (loss) per common share				
Basic and diluted earnings (loss) per share from continuing operations	$ (0.17)	$ (0.21)	$ (10.53)	$ (2.21)
Basic and diluted earnings (loss) per share from discontinued operations	—	(0.10)	—	(0.78)
Basic and diluted earnings (loss) per share	$ (0.17)	$ (0.31)	$ (10.53)	$ (2.99)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in millions, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	$ (15.9)	$ (27.9)	$ (953.7)	$ (267.3)
Foreign currency translation adjustments	(14.9)	73.4	113.1	38.0
Unrealized gain (loss) on derivative instruments	0.1	(3.3)	(0.8)	(0.8)
Other comprehensive (loss) income before tax	(14.8)	70.1	112.3	37.2
Benefit for income tax related to items of comprehensive income	—	0.8	0.2	0.2
Other comprehensive (loss) income, net of tax	(14.8)	70.9	112.5	37.4
Comprehensive (loss) income	$ (30.7)	$ 43.0	$ (841.2)	$ (229.9)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions)
(unaudited)

	Common Stock					
	Shares	Amounts	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2024	89.7	$ 0.1	$ 2,042.2	$ (397.0)	$ (282.9)	$ 1,362.4
Net loss	—	—	—	(562.9)	—	(562.9)
Other comprehensive income, net of tax	—	—	—	—	44.7	44.7
Stock compensation	—	—	14.6	—	—	14.6
Issuance of common stock under employee stock plan	0.8	—	—	—	—	—
Balance at March 31, 2025	90.5	0.1	2,056.8	(959.9)	(238.2)	858.8
Net loss	—	—	—	(374.9)		(374.9)
Other comprehensive income, net of tax	—	—	—	—	82.6	82.6
Stock compensation	—	—	22.7	—	—	22.7
Issuance of common stock under employee stock plan	0.3	—	—	—	—	—
Balance at June 30, 2025	90.8	0.1	2,079.5	(1,334.8)	(155.6)	589.2
Net loss	—	—	—	(15.9)		(15.9)
Other comprehensive loss, net of tax	—	—	—	—	(14.8)	(14.8)
Stock compensation	—	—	22.3	—	—	22.3
Issuance of common stock under employee stock plans	1.4	—	—	—	—	—
Balance at September 30, 2025	92.2	$ 0.1	$ 2,101.8	$ (1,350.7)	$ (170.4)	$ 580.8

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions)
(unaudited)

	Common Stock					
	Shares	Amounts	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2023	88.8	$ 0.1	$ 1,998.0	$ (68.5)	$ (215.5)	$ 1,714.1
Net loss	—	—	—	(101.0)	—	(101.0)
Other comprehensive loss, net of tax	—	—	—	—	(26.1)	(26.1)
Stock compensation	—	—	15.1	—	—	15.1
Issuance of common stock	0.6	—	—	—	—	—
Net share settlement tax payments from issuance of stock to employees	—	—	(10.4)	—	—	(10.4)
Other	—	—	0.2	—	—	0.2
Balance at March 31, 2024	89.4	0.1	2,002.9	(169.5)	(241.6)	1,591.9
Net loss	—	—	—	(138.4)	—	(138.4)
Other comprehensive loss, net of tax	—	—	—	—	(7.4)	(7.4)
Stock compensation	—	—	15.0	—	—	15.0
Issuance of common stock	0.1	—	—	—	—	—
Balance at June 30, 2024	89.5	0.1	2,017.9	(307.9)	(249.0)	1,461.1
Net loss	—	—	—	(27.9)	—	(27.9)
Other comprehensive income, net of tax	—	—	—	—	70.9	70.9
Stock compensation	—	—	13.0	—	—	13.0
Issuance of common stock under employee stock plans	0.2	—	—	—	—	—
Net share settlement tax payments from issuance of stock to employees	—	—	(3.6)	—	—	(3.6)
Balance at September 30, 2024	89.7	$ 0.1	$ 2,027.3	$ (335.8)	$ (178.1)	$ 1,513.5

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

FORTREA HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Nine Months Ended September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (953.7)	$ (267.3)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:		
Depreciation and amortization	58.7	66.1
Stock compensation	59.6	43.1
Credit loss expense	13.5	17.0
Operating lease right-of-use asset expense	8.6	10.8
Operating lease right-of-use asset impairment	1.3	4.8
Goodwill and other asset impairments	797.9	24.0
Deferred income taxes	(24.4)	(23.2)
Unrealized foreign exchange movements	38.8	4.2
Loss on sale of business	—	23.2
Write-off of debt issuance costs	—	12.2
Other, net	2.2	4.7
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable and unbilled services, net	(10.6)	290.9
Decrease (increase) in prepaid expenses and other	43.8	(33.3)
(Decrease) increase in accounts payable	(89.7)	5.8
Increase in unearned revenue	54.6	106.4
Decrease in accrued expenses and other	(16.2)	(43.7)
Net cash (used for) provided by operating activities	(15.6)	245.7
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(17.7)	(28.7)
Proceeds from sale of business, net	39.6	276.6
Proceeds from sale of assets	—	0.2
Net cash provided by investing activities	21.9	248.1
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	453.9	617.0
Payments on revolving credit facilities	(453.9)	(617.0)
Debt issuance costs	(0.6)	—
Principal payments of long-term debt	—	(482.7)
Payments for taxes related to net share settlement of stock awards	—	(14.0)
Net cash used for financing activities	(0.6)	(496.7)
Effect of exchange rate changes on cash and cash equivalents	7.1	(0.4)
Net change in cash and cash equivalents	12.8	(3.3)
Cash and cash equivalents at beginning of period	118.5	108.6
Cash and cash equivalents at end of period	$ 131.3	$ 105.3

The cash flows related to discontinued operations have not been segregated and are included in the condensed consolidated statements of cash flows.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

Description of Business

Fortrea Holdings Inc. (“Fortrea” or the “Company”), a Delaware corporation incorporated on January 31, 2023, is a leading global contract research organization (“CRO”) providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. The Company offers customers highly flexible delivery models that include Full Service, Functional Service Provider, and Hybrid Service structures. The Company has a rich history of providing clinical development services for more than 30 years across more than 20 therapeutic areas. The Company leverages its global scale, clinical data insights, scientific and therapeutic expertise, technology innovation, industry network and decades of experience as a standalone company and as a business unit prior to its spin-off from Labcorp Holdings Inc. to deliver tailored solutions to its customers. With what the Company believes is a distinctive market offering, Fortrea meets growing global demand for clinical development services. The Company has established access to all key markets worldwide through a strategic footprint of primary office locations in five countries (the United States, the United Kingdom, China, India and Japan) with field operations in other jurisdictions worldwide.

Reportable Segment

The Company manages its business in one reportable segment, Clinical Services, that provides development and consulting services across the clinical pharmacology and clinical development spectrum.

On March 9, 2024, the Company, together with its wholly-owned subsidiary, Fortrea Inc., entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, to sell the operations of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries; which are all collectively referred to as the Enabling Services Segment. The Transaction closed during the second quarter of 2024. Refer to Note 2, “Discontinued Operations” for further discussion.

For all periods presented, the Company's consolidated revenues from continuing operations were generated from the Clinical Services segment, which provides phase I-IV clinical trials, including clinical pharmacology and comprehensive clinical development capabilities. The Company’s chief operating decision maker allocates resources and assesses performance for the Clinical Services segment. For further financial information about the segment, see Note 14, “Business Segment Information”.

Discontinued Operations

In accordance with the definition of discontinued operations, the Company's decision to sell the assets relating to the Enabling Services Segment represented a strategic shift that had a major effect on the Company's results of operations for the periods presented. The operations of the Enabling Services Segment have been classified as income (loss) from discontinued operations on the condensed consolidated statements of operations for all periods presented.

Unless otherwise noted, discussion within these notes to the condensed consolidated financial statements relates to the Company’s continuing operations.

Unaudited Interim Financial Information

The Company’s unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments necessary for a fair statement of results of operations, cash flows, and financial position have been made. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company’s audited consolidated and combined financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and unbilled services.

The Company maintains cash and cash equivalents with various major financial institutions. These financial institutions are generally highly rated and geographically dispersed. The Company evaluates the relative credit standing of these financial institutions and has not sustained credit losses from instruments held at financial institutions.

Substantially all of the Company’s accounts receivable and unbilled services are with companies in the pharmaceutical, biotechnology and medical device industries. As of September 30, 2025, one pharmaceutical customer accounted for approximately 23.4% of the Company's combined gross accounts receivable and unbilled services. As of December 31, 2024, two pharmaceutical companies accounted for approximately 22.2% and 13.8% of the Company's combined gross accounts receivable and unbilled services. Additionally, for the three months ended September 30, 2025, one customer accounted for approximately 19.8% of revenues, and for the nine months ended September 30, 2025, one customer accounted for approximately 18.3% of revenues. For the three months ended September 30, 2024, one customer accounted for approximately 15.1% of revenues, and for the nine months ended September 30, 2024, two customers accounted for approximately 14.2% and 10.4% of revenues. Concentrations of credit risk are mitigated due to the number of the Company’s customers as well as their dispersion across many different geographic regions. Additionally, the Company applies assumptions and judgments, including historical collection experience and reasonable and supportable forecasts, for assessing collectability and determining allowances for doubtful accounts.

Recently Issued and Adopted Accounting Standards

In December 2023, the FASB issued guidance to require qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid by jurisdiction. This guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied prospectively; however, retrospective application is also permitted. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40),* Disaggregation of Income Statement Expenses. The new guidance requires disclosure of certain costs and expenses in the notes to the financial statements. This guidance is effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The disclosures required under the guidance can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all periods presented in the financial statements. The Company is currently evaluating the impact this guidance will have on its financial statement disclosures.

(dollars and shares in millions, except per share data)

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The new guidance simplifies the accounting for internally developed software by replacing the existing phase-based capitalization model with a principles-based approach that focuses on management's authorization and the probability of project completion. The guidance is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Entities may apply the guidance using a prospective, retrospective, or modified transition approach, and early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements and disclosures.

2. DISCONTINUED OPERATIONS

On March 9, 2024, the Company entered into the Purchase Agreement with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, pursuant to which Fortrea Inc. agreed to sell, and to cause its affiliates to sell, net assets relating to its Enabling Services Segment (the "Transaction"), specifically its Patient Access and Endpoint businesses, including the sale of equity interests of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries. The final adjusted purchase price for the Transaction was $340.0, subject to customary purchase price adjustments, with $295.0 paid at closing and $45.0 to be paid upon achievement of certain transition-related milestones. The Transaction closed during the second quarter of 2024. The first milestone payment in the amount of $20.0 was received in the first quarter of 2025. The second and final milestone payment in the amount of $25.0 was received in the third quarter of 2025.

Financial Information of Discontinued Operations

The following table summarizes the significant line items included in income (loss) from discontinued operations, net of income tax in the condensed consolidated statements of operations for the three and nine months ended September 30, 2024:

	Three Months Ended September 30,	Nine Months Ended September 30,
	2024	2024
Revenues	$ —	$ 106.4
Costs and expenses:		
Direct costs, exclusive of depreciation and amortization	—	66.4
Selling, general and administrative expenses, exclusive of depreciation and amortization	—	25.4
Depreciation and amortization	—	1.6
Long-lived and goodwill asset impairments	—	24.0
Restructuring and other charges	—	0.5
Total costs and expenses	—	117.9
Operating loss	—	(11.5)
Other expense:		
Foreign exchange gain	—	0.1
Loss on sale of a business	—	(23.2)
Other, net	—	0.1
Loss from discontinued operations before income taxes	—	(34.5)
Income tax expense	9.4	35.2
Loss from discontinued operations, net of tax	$ (9.4)	$ (69.7)

(dollars and shares in millions, except per share data)

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Loss from operations of discontinued component	$ (9.4)	$ (46.5)
Loss on disposal of discontinued operations	—	(23.2)
Loss on discontinued operations	$ (9.4)	$ (69.7)

In the first quarter of 2024, as a result of the negotiated sale price of the Patient Access and Endpoint businesses, the Company evaluated the Enabling Services Segment for impairment and determined that it was more likely than not that the carrying value of the assets exceeded its fair value. Accordingly, an impairment analysis was performed, which resulted in a goodwill impairment charge of $24.0.

The cash flows related to discontinued operations have not been segregated and are included in the condensed consolidated statements of cash flows. The following table summarizes depreciation and amortization, capital expenditures and the significant cash flow and noncash items from discontinued operations for the nine months ended September 30, 2024:

	Nine Months Ended September 30, 2024
Depreciation and amortization	$ 1.6
Goodwill impairment	24.0
Loss on sale of business	23.2
Capital expenditures	7.4

There were no significant operating or investing noncash items related to discontinued operations for the nine months ended September 30, 2024.

3. REVENUES

The Company's revenues by geography for the three and nine months ended September 30, 2025 and 2024 are as follows:

	Three Months Ended September 30, 2025				Three Months Ended September 30, 2024			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenues	$ 332.7	$ 213.2	$ 155.4	$ 701.3	$ 319.7	$ 191.8	$ 163.4	$ 674.9

	Nine Months Ended September 30, 2025				Nine Months Ended September 30, 2024			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Revenues	$ 986.5	$ 632.2	$ 444.2	$ 2,062.9	$ 944.4	$ 595.1	$ 459.9	$ 1,999.4

(dollars and shares in millions, except per share data)

Revenue from the United States comprises substantially all revenue in North America.

Contract Costs

The following table provides information about contract asset balances:

	September 30, 2025	December 31, 2024
Sales commission assets	$ 21.0	$ 22.1
Deferred contract costs	0.5	1.1
Total	$ 21.5	$ 23.2

Amortization related to sales commission assets for the three months ended September 30, 2025 and 2024 was $3.0 and $2.9, respectively, and for the nine months ended September 30, 2025 and 2024 was $8.9 and $8.5, respectively. Amortization related to deferred contract costs for the three months ended September 30, 2025 and 2024 was $0.2 and $0.6, respectively, and for the nine months ended September 30, 2025 and 2024 was $0.6 and $1.5, respectively. The Company applies the practical expedient to not recognize the effect of financing in its contracts with customers when the difference in timing of payment and performance is one year or less.

Accounts Receivable, Unbilled Services and Unearned Revenue

The following table provides information about accounts receivable, unbilled services and unearned revenue from contracts with customers:

	September 30, 2025	December 31, 2024
Accounts receivable	$ 163.4	$ 156.5
Unbilled services	549.4	542.3
Less: allowance for credit losses	(49.6)	(39.3)
Total	$ 663.2	$ 659.5
Unearned revenue	$ 411.6	$ 353.3

Revenue recognized during the period that was included in the unearned revenue balance at the beginning of the period was $217.9 and $147.6 for the nine months ended September 30, 2025 and 2024, respectively. Additionally, as of the quarter ended September 30, 2025, the Company had sold $300.0 of receivables as described in the *Receivables Securitization Program* section below.

Credit Loss Rollforward

The Company estimates future expected losses on accounts receivable and unbilled services over the remaining collection period of the instrument.

The rollforward for the allowance for credit losses for the nine months ended September 30, 2025 is as follows:

Allowance for credit losses as of December 31, 2024	$ 39.3
Credit loss expense	13.5
Write-offs	(3.2)
Allowance for credit losses as of September 30, 2025	$ 49.6

Performance Obligations Under Long-Term Contracts

As of September 30, 2025, approximately $4,547.7 of revenues are expected to be recognized from remaining performance obligations. The Company expects to recognize approximately 29% of the existing performance obligations as of September 30, 2025 as revenue over the next 12 months and the remaining balance thereafter. The Company's long-term contracts generally range from one to eight years.

During the three and nine months ended September 30, 2025, there were reductions of approximately $10 and $26, respectively, in revenue related to performance obligations partially satisfied in previous periods. For the three months ended September 30, 2025, the majority of the change was associated with changes in estimated effort to complete customer contract obligations and a smaller portion related to changes in scope or price. For the nine months ended September 30, 2025, the change was associated with both changes in estimated effort to complete customer contract obligations and changes in scope or price. For the three months ended September 30, 2025, the change in estimate resulted in an estimated reduction to revenue of $7, and an increase in loss from continuing operations of $4 and in loss per share of $0.04. For the nine months ended September 30, 2025, the change in estimate resulted in an estimated reduction to revenue of $13, and an increase in loss from continuing operations of $13 and in loss per share of $0.14.

During the three and nine months ended September 30, 2024, there were reductions of approximately $6 and $58, respectively, in revenue related to performance obligations partially satisfied in previous periods. For the three months ended September 30, 2024, the majority of the change was associated with changes in estimated effort to complete customer contract obligations and a smaller portion related to changes in scope or price. For the three months ended September 30, 2024, the change in estimate resulted in an estimated reduction to revenue of $4, and an increase in loss from continuing operations of $2 and in loss per share of $0.02. For the nine months ended September 30, 2024, the change in estimate resulted in an estimated reduction to revenue of $25, and an increase in loss from continuing operations of $25 and in loss per share of $0.28.

The Company applies the practical expedient and does not disclose information about remaining performance obligations where (i) the performance obligation is part of a contract that has an original expected duration of one year or less or (ii) when the Company recognizes revenue from the satisfaction of the performance obligation in accordance with the right-to-invoice practical expedient.

Receivables Securitization Program

On May 6, 2024, the Company entered into a three-year $300.0 accounts receivable securitization program (the "Receivables Facility"). Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity ("SPE"), who in turn, may sell receivables to a third-party financial institution in exchange for cash. The facility is without recourse to the Company or any subsidiaries of the Company, other than with respect to limited indemnity obligations of Fortrea Inc., in respect to the character of the receivables sold and as to the performance of its duties as servicer and a limited performance guaranty by the Company. All unsold accounts receivable held by the SPE are pledged as collateral to secure the collectability of the sold receivables. The Receivables Facility is scheduled to terminate on May 6, 2027, unless terminated earlier pursuant to its terms.

As of September 30, 2025, the Company had sold $300.0 of receivables, which were derecognized from the Company's consolidated balance sheet as described in the *Accounts Receivable, Unbilled Services and Unearned Revenue* section above. Total costs associated with the sale were $4.5 and $13.4 for the three and nine months ended September 30, 2025, and $5.3 and $7.4 for the three and nine months ended September 30, 2024, respectively. These costs are included within selling, general and administrative costs in the condensed consolidated statements of operations.

(dollars and shares in millions, except per share data)

4. RESTRUCTURING AND OTHER CHARGES

In the fourth quarter of 2024, the Company approved a restructuring plan to streamline its operations and eliminate redundant positions. This plan, which relates primarily to severance benefits, was accounted for under ASC 712, *Compensation - Nonretirement Postemployment Benefits*. Action under this restructuring plan is expected to continue through 2025.

The following represents the Company's restructuring accrual activities for the periods indicated:

	Severance and Other Employee Costs	Facility and Other Costs	Total
Balance as of December 31, 2024	$ 23.1	$ 0.6	$ 23.7
Restructuring charges	10.5	2.2	12.7
Cash payments and other adjustments	(22.8)	(2.2)	(25.0)
Balance as of September 30, 2025	$ 10.8	$ 0.6	$ 11.4

	Severance and Other Employee Costs	Facility and Other Costs	Total
Balance as of December 31, 2023	$ 1.1	$ 3.2	$ 4.3
Restructuring charges	16.0	0.7	16.7
Reduction of prior restructuring accruals	(0.9)	(3.0)	(3.9)
Cash payments and other adjustments	(14.2)	(0.6)	(14.8)
Balance as of September 30, 2024	$ 2.0	$ 0.3	$ 2.3

The restructuring liabilities are current as of September 30, 2025 and December 31, 2024 and are included in accrued expenses and other current liabilities in the condensed consolidated balance sheets.

5. EARNINGS (LOSS) PER SHARE

Basic earnings per share is computed by dividing net earnings attributable to the Company by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing net earnings including the impact of dilutive adjustments by the weighted average number of common shares outstanding plus potentially dilutive shares, as if they had been issued at the earlier of the date of issuance or the beginning of the period presented. Potentially dilutive common shares result primarily from the Company's outstanding stock options, restricted stock awards, restricted stock units ("RSUs"), and performance share units ("PSUs").

The following represents the computation of basic and diluted earnings (loss) per share from continuing operations per share.

	Three Months Ended September 30,					
	2025			2024		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) from continuing operations per share:						
Net earnings (loss)	$ (15.9)	91.2	$ (0.17)	$ (18.5)	89.6	$ (0.21)

(dollars and shares in millions, except per share data)

	Nine Months Ended September 30,					
	2025			2024		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) from continuing operations per share:						
Net earnings (loss)	$ (953.7)	90.6	$ (10.53)	$ (197.6)	89.4	$ (2.21)

The following represents the computation of basic and diluted earnings (loss) per share from discontinued operations per share.

	Three Months Ended September 30,					
	2025			2024		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) from discontinued operations per share:						
Net earnings (loss)	$ —	—	$ —	$ (9.4)	89.6	$ (0.10)

	Nine Months Ended September 30,					
	2025			2024		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic and diluted earnings (loss) from discontinued operations per share:						
Net earnings (loss)	$ —	—	$ —	$ (69.7)	89.4	$ (0.78)

Diluted earnings per share represent the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. These potential shares include dilutive stock options and unissued restricted stock awards. Potential common shares are also considered antidilutive in the event of a net loss from operations. There were no dilutive common shares for any period presented as the inclusion would be antidilutive.

The following table summarizes the potential common shares not included in the computation of diluted earnings per share because their impact would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Employee stock options and awards	5.5	2.8	5.4	2.0
Antidilutive employee stock options and awards excluded based on reporting a net loss for the period	2.6	0.5	1.4	0.9

6. GOODWILL

The Company's policy is to assess goodwill for impairment annually as of October 1, with more frequent assessments if events or changes in circumstances indicate the carrying amount may not be recoverable. Based on the annual test performed on October 1, 2024, it was previously determined that the fair values of the Company’s reporting units were greater than the carrying values, resulting in no impairment. For the Clinical Development reporting unit, the fair value of the business exceeded the carrying value by approximately 10% as of October 1, 2024.

(dollars and shares in millions, except per share data)

During the first and second quarters of 2025, due to sustained declines in the Company's share price and uncertainties in global macroeconomic conditions, the Company determined that indicators of impairment existed. As a result, the Company performed interim impairment tests as of March 31, 2025 and June 30, 2025. There were no indicators of impairment for the three months ended September 30, 2025.

Based upon the results of the quantitative assessment as of March 31, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of $488.8.

Based upon the results of the quantitative assessment as of June 30, 2025, the Company concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of $309.1.

For the goodwill impairment tests, the fair values of the Clinical Development and Clinical Pharmacology reporting units were computed using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. The discount rate used reflects the risks inherent in realizing the forecasted cash flows and considers the risk-free rate of return on long-term treasury securities, the risk premium associated with investing in equity securities of comparable companies, the beta obtained from the comparable companies and the cost of debt for investment grade issuers. The discount rate used for the Clinical Development reporting unit quantitative assessments as of March 31, 2025 and June 30, 2025 was 10.0% and 10.5%, respectively. The increase in the discount rate was primarily the result of macroeconomic and market factors and impacted the impairment during the second quarter of 2025 by approximately $60.

For the market-based approach, the Company utilizes a number of factors such as publicly available information regarding the market capitalization of the Company as well as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit. The resulting estimated fair values of the combined reporting units are reconciled to the Company's market capitalization including an estimated implied control premium. The share price used to calculate the Company's market capitalization was $7.55 per share and $4.94 per share as of March 31, 2025 and June 30, 2025, respectively.

The changes in the carrying amount of goodwill for the nine months ended September 30, 2025 and 2024 are as follows:

Balance as of December 31	$ 1,710.4	$ 1,739.4
Impairment	(797.9)	—
Foreign currency impact and other adjustments to goodwill	45.6	27.6
Balance as of September 30	$ 958.1	$ 1,767.0

(dollars and shares in millions, except per share data)

7. DEBT

The current portion of long-term debt consisted of the following:

	September 30, 2025	December 31, 2024
Current portion of 7.5% senior notes due 2030	$ 75.7	$ 76.0
Debt issuance discount and fees	(1.2)	(1.2)
Total short-term borrowings and current portion of long-term debt	$ 74.5	$ 74.8

Long-term debt consisted of the following:

	September 30, 2025	December 31, 2024
7.5% senior notes due 2030	$ 494.3	$ 494.0
Senior secured term loan A due 2028	417.3	417.3
Senior secured term loan B due 2030	154.7	154.7
Senior secured revolving credit facility	—	—
Debt issuance discount and fees	(14.2)	(16.3)
Total long-term debt	$ 1,052.1	$ 1,049.7

During the three and nine months ended September 30, 2024, the Company paid down $0.0 and $70.2, respectively, on its senior secured term loan A due 2028 (“term loan A”) and $0.0 and $412.5, respectively, on its senior secured term loan B due 2030 (“term loan B”). Additionally, in the second quarter of 2024, the Company wrote off $12.2 of unamortized debt issuance costs associated with the pay down of debt, which were recorded in interest expense in the condensed consolidated statements of operations during the nine months ended September 30, 2024.

Senior Notes

On June 27, 2023, the Company issued $570.0 aggregate principal amount of 7.50% senior notes due 2030 (the “Notes”). Interest on these notes is payable semi-annually on January 1 and July 1 of each year. Net proceeds from the offering of the Notes were $560.2 after deducting expenses of the offering.

The bond indenture for the Notes contains an asset sale covenant that effectively requires the Company to utilize a prorated portion of the Net Cash Proceeds from an Asset Sale, each as defined in the indenture, to retire Notes at par. As a result of Fortrea’s sale of assets relating to its Enabling Services Segment, Fortrea intends to repurchase up to $75.7 of the Notes in accordance with the terms of the indenture by the end of November 2025, which amount has been classified as current portion of long-term debt in the consolidated balance sheet as of September 30, 2025.

Credit Facilities

On June 30, 2023, Fortrea entered into a credit agreement (as amended, the “Credit Agreement”) providing for (i) a senior secured revolving credit facility in the principal amount of up to $450.0; (ii) a five-year $500.0 first lien senior secured term A loan facility; and (iii) a seven-year $570.0 first lien senior secured term B loan facility. The initial revolving facility includes a $75.0 swingline sub-facility and a $75.0 letter of credit sub-facility.

The Company drew on the term loan A and term loan B on June 30, 2023. The net proceeds received for the term A and term B loans were $491.8 and $552.9, respectively after deducting underwriting discounts and other expenses. The term A and term B loans will mature on June 30, 2028 and June 30, 2030, respectively. The term loans accrue interest at a per annum rate equal to the sum of, at the option of the Company, a Base Rate or a Term SOFR Rate and the Applicable Margin as defined by the Credit Agreement. As of September 30, 2025, the effective interest rate on the term loan A and term loan B was 6.26% and 8.06%, respectively.

The revolving credit facility is permitted, subject to certain covenant restrictions, to be used for general corporate purposes, including working capital and capital expenditures. There were no balances outstanding on the Company’s revolving credit facility and there were $2.3 in letters of credit issued under the letter of credit sublimit, resulting in $447.7 available for borrowing as of September 30, 2025. No balances were outstanding as of December 31, 2024. As of September 30, 2025, the effective interest rate on the revolving credit facility was 6.16%, assuming a one-month interest election. There is an annual agency fee associated with the Credit Agreement ($0.1 paid in quarterly installments) and a variable commitment fee associated with the revolving credit facility based on the Company’s Total Leverage Ratio as defined under the Credit Agreement. As of September 30, 2025, the commitment fee was 0.30% (per annum and paid quarterly). The credit facility matures on June 30, 2028.

Under the Credit Agreement, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for similarly rated borrowers, and the Company is required to maintain certain net leverage and interest coverage ratios. The Company is permitted to make adjustments, such as excluding certain costs, from the calculation of leverage and interest coverage ratios for compliance purposes. On February 28, 2025, the Company entered into an amendment to modify certain financial covenants for additional flexibility under the Credit Agreement. The Company was in compliance with all covenants in the Credit Agreement at September 30, 2025 and believes it will be in compliance with all covenants for a period of at least 12 months from the date these financial statements are issued.

8. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Summary of Derivative Instruments

The Company addresses its exposure to market risks, principally the market risk associated with changes in interest rates and foreign currency exchange rates, through a program of risk management that includes, from time to time, the use of derivative instruments such as foreign currency forward contracts and interest rate swap agreements. The Company does not hold or issue derivative instruments for trading purposes. The derivative instrument contracts are with major investment grade financial institutions and the Company does not anticipate any material non-performance by any of the counterparties. The Company does not believe that its exposure to market risk is material to the Company’s financial position or results of operations.

(dollars and shares in millions, except per share data)

The fair value of the Company's interest rate swaps and foreign currency forward contracts are determined based on observable market inputs (Level 2). The table below presents the fair value of the Company's derivatives on a gross basis and the balance sheet classification of those instruments:

	Balance Sheet Classification	September 30, 2025		December 31, 2024	
		Asset	Liability	Asset	Liability
Derivatives designated as hedging instruments:					
Interest rate swaps	Accrued expenses and other	$ —	$ (0.9)	$ 0.1	$ (0.2)
	Other liabilities	—	(0.4)	—	(0.4)
Derivatives not designated as hedging instruments:					
Foreign currency forward contracts	Prepaid expenses and other	$ 1.2	$ —	$ —	$ —
	Accrued expenses and other	—	(0.1)	—	(1.2)

The notional amounts of the Company's interest rate swaps and foreign currency forward contracts were $150.0 and $308.6 as of September 30, 2025 and $150.0 and $468.6 as of December 31, 2024, respectively.

The following table presents the pre-tax effects of cash flow hedges included in the Company's condensed consolidated statements of comprehensive (loss) income:

	Pre-Tax Gain (Loss) Included in Other Comprehensive (Loss) Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest rate swaps	$ 0.1	$ (2.9)	$ (0.7)	$ 0.4

The following table presents amounts reclassified out of accumulated other comprehensive loss and recognized in the condensed consolidated statements of operations:

		Amounts Reclassified from Other Comprehensive (Loss) Income into Earnings			
		Three Months Ended September 30,		Nine Months Ended September 30,	
	Statement of Operations Classification	2025	2024	2025	2024
Interest rate swaps	Interest expense	$ —	$ (0.4)	$ (0.1)	$ (1.2)

The estimated amount of pre-tax net losses included in other comprehensive (loss) income that is expected to be reclassified into earnings over the twelve months following September 30, 2025, is $0.9.

Refer to Note 10, "Preferred Stock and Common Shareholders' Equity" for the impact of the Company's derivative instruments included in accumulated other comprehensive loss.

The following table presents a summary of the gain (loss) for derivative contracts not designated as hedges included in the Company's condensed consolidated statements of operations:

		Gain (Loss) on Derivatives Recognized in Earnings			
		Three Months Ended September 30,		Nine Months Ended September 30,	
	Statement of Operations Classification	2025	2024	2025	2024
Foreign currency forward contracts	Foreign exchange loss	$ 1.3	$ 1.0	$ 2.3	$ 0.6

9. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved from time to time in various claims and legal actions arising in the ordinary course of business. These matters may include commercial and contract disputes, employee-related matters, and professional liability claims. In accordance with FASB ASC 450, *Contingencies*, the Company establishes reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Company does not establish reserves. The outcomes of such proceedings are inherently unpredictable and subject to significant uncertainties. When the Company determines that it has a meritorious defense to any claims asserted, the Company defends itself vigorously; however the Company also considers and enters into discussions regarding settlement of disputes, and may enter into settlement agreements, if in management's judgment, it is in the best interest of the Company to do so. For the three and nine months ended September 30, 2025, the Company recorded legal expenses of $— and $1.9, respectively, related to the settlement of legal matters initiated prior to the spin. The Company does not believe that any liabilities resulting from claims and legal actions will have a material effect on its financial condition, results of operations or cash flows.

On June 2, 2025, a purported shareholder class action complaint captioned *Lucas Deslande v. Fortrea Holdings Inc., et al.*, No 1:25-sv-04630 was filed in the U.S. District Court for the Southern District of New York, naming the Company and certain of its current and former officers as defendants. The complaint alleges that defendants made omissions and misrepresentations to investors that they claim violated certain securities laws. The Construction Industry Laborers Pension Fund and City of Pontiac Reestablished General Employees Retirement System were appointed as lead plaintiffs on September 3, 2025 and the lead plaintiffs have until November 10, 2025 to file an amended complaint, to which the Company will respond. The Company believes it has valid defenses to the claims alleged and intends to vigorously defend itself, but there is no guarantee that the Company will prevail. The case is at a very early stage and the Company is unable to estimate the possible loss or range of loss, if any, associated with this action.

It was previously disclosed that there was an issue in a customer's trial caused by a third-party vendor not affiliated with the Company. As part of working with this customer, the Company made concessions and provided discounts and other consideration to the customer in the amount of $12.5 as part of a multi-party solution to facilitate the ongoing trials, of which $0.9 and $3.0 were recorded as a reduction of revenue for the three and nine months ended September 30, 2024. There were no related reductions of revenue during the three and nine months ended September 30, 2025, as the agreed-upon amount had been satisfied.

The Company believes that it is in compliance in all material respects with all statutes, regulations, and other requirements applicable to its drug development support services. The drug development industry is, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, and/or additional liabilities from third-party claims.

Fortrea obtains insurance coverage for certain catastrophic exposures as well as those risks required to be insured by law or contract. The Company is covered by those policies but is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred.

10. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 265.0 shares of common stock, par value $0.001 per share. The Company is authorized to issue up to 30.0 shares of preferred stock, par value $0.001 per share. There were no preferred shares outstanding as of September 30, 2025 and December 31, 2024.

Stockholder Rights Plan

On June 11, 2025, the Company's Board of Directors adopted a limited duration stockholder rights plan (the "Rights Agreement"). Pursuant to the Rights Agreement, on June 11, 2025, the Company's Board of Directors declared a dividend of one preferred share purchase right (a "Right") for each share of common stock, par value $0.001 per share, of the Company (the "Common Shares") outstanding on June 23, 2025 to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one one thousandth of a share of Series A Preferred Stock, par value $0.001 per share, of the Company (the "Preferred Shares") at a price of $50.00 per one one thousandth of a Preferred Share represented by a Right, subject to adjustment.

Initially, the Rights will be attached to all Common Share certificates and no separate certificates evidencing the Rights will be issued. Until the Distribution Date (as defined per the Rights Agreement), the Rights will be transferred with and only with the Common Shares. As long as the Rights are attached to the Common Shares, the Company will issue one Right with each new Common Share so that all such Common Shares will have Rights attached.

The Rights are generally exercisable only in the event that a person or group of affiliated or associated persons (such person or group being an "Acquiring Person"), acquires (or commences a tender offer or exchange offer the consummation of which would result in) beneficial ownership of 10% or more of the outstanding Common Shares. In such case (with certain limited exceptions), each holder of a Right (other than the Acquiring Person, whose Rights shall become void) will have the right to receive, upon exercise at the then current exercise price of the Right, Common Shares (or, if the Board so elects, cash, securities, or other property) having a value equal to two times the exercise price of the Right.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends. The Rights will expire at the close of business on June 10, 2026.

(dollars and shares in millions, except per share data)

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Unrealized Gain (Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at December 31, 2024	$ (276.0)	$ (6.5)	$ (0.4)	$ (282.9)
Current quarter foreign exchange adjustments	45.2	—	—	45.2
Unrealized loss on derivative instruments	—	—	(0.7)	(0.7)
Amounts reclassified from accumulated other comprehensive loss	—	—	—	—
Tax effect of adjustments	—	—	0.2	0.2
Balance at March 31, 2025	(230.8)	(6.5)	(0.9)	(238.2)
Current quarter foreign exchange adjustments	82.8	—	—	82.8
Unrealized loss on derivative instruments	—	—	(0.1)	(0.1)
Amounts reclassified from accumulated other comprehensive loss	—	—	(0.1)	(0.1)
Tax effect of adjustments	—	—	—	—
Balance at June 30, 2025	(148.0)	(6.5)	(1.1)	(155.6)
Current quarter foreign exchange adjustments	(14.9)	—	—	(14.9)
Unrealized gain on derivative instruments	—	—	0.1	0.1
Amounts reclassified from accumulated other comprehensive loss	—	—	—	—
Tax effect of adjustments	—	—	—	—
Balance at September 30, 2025	$ (162.9)	$ (6.5)	$ (1.0)	$ (170.4)

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	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Unrealized Gain (Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balance at December 31, 2023	$ (206.7)	$ (7.4)	$ (1.4)	$ (215.5)
Current quarter foreign exchange adjustments	(27.7)	—	—	(27.7)
Unrealized gain on derivative instruments	—	—	2.5	2.5
Amounts reclassified from accumulated other comprehensive loss	—	—	(0.4)	(0.4)
Tax effect of adjustments	—	—	(0.5)	(0.5)
Balance at March 31, 2024	(234.4)	(7.4)	0.2	(241.6)
Current quarter foreign exchange adjustments	(7.7)	—	—	(7.7)
Unrealized gain on derivative instruments	—	—	0.8	0.8
Amounts reclassified from accumulated other comprehensive loss	—	—	(0.4)	(0.4)
Tax effect of adjustments	—	—	(0.1)	(0.1)
Balance at June 30, 2024	(242.1)	(7.4)	0.5	(249.0)
Current quarter foreign exchange adjustments	73.4	—	—	73.4
Unrealized loss on derivative instruments	—	—	(2.9)	(2.9)
Amounts reclassified from accumulated other comprehensive loss	—	—	(0.4)	(0.4)
Tax effect of adjustments	—	—	0.8	0.8
Balance at September 30, 2024	$ (168.7)	$ (7.4)	$ (2.0)	$ (178.1)

11. INCOME TAXES

For the three months ended September 30, 2025 and 2024, the Company recognized income tax benefits of $12.8 and $17.3, respectively, which resulted in effective tax rates of 44.6% and 48.3%, respectively. The effective tax rate for the three months ended September 30, 2025 was higher than the Company’s statutory tax rate primarily due to an increase in the Company’s U.S. operating losses partially offset by non-deductible compensation expenses, Base Erosion and Anti-Abuse Tax (“BEAT”), an increase in valuation allowance and withholding taxes for 2025 non-U.S. earnings that are not permanently reinvested. The effective tax rate for the three months ended September 30, 2024 was higher than the Company’s statutory tax rate primarily due to the geographic mix of earnings, partially offset by a forecasted valuation allowance on the deferred tax asset for the carryforward of disallowed interest expense, which impacts the annualized effective tax rate of the Company by approximately 14.8%. This deferred tax asset exists due to limitations imposed under the Internal Revenue Code on the annual deductibility of business interest expense.

For the nine months ended September 30, 2025, the Company recognized income tax expense of $6.3 resulting in an effective tax rate of (0.7)%. For the nine months ended September 30, 2024, the Company recognized income tax benefit of $2.5 resulting in an effective tax rate of 1.2%.The effective tax rate for the nine months ended September 30, 2025 was lower than the Company’s statutory tax rate primarily due to impairment of goodwill that has no tax benefit, non-deductible compensation expenses, BEAT, an increase in valuation allowance and withholding taxes for 2025 non-U.S. earnings that are not permanently reinvested. The effective tax rate for the nine months ended September 30, 2024 was lower than the Company’s statutory tax rate primarily due to the valuation allowance recognized on the deferred tax asset for the carryforward of disallowed interest expense and non-deductible compensation expenses.

(dollars and shares in millions, except per share data)

On July 4, 2025, new legislation commonly referred to as the One Big Beautiful Bill Act of 2025 (the "Tax Act") was signed into law. The Tax Act includes substantial changes to the U.S. federal tax code and broader fiscal policy for tax year 2025 and forward. The Company has recorded any applicable impacts to its three months ended September 30, 2025 tax provision, which were not significant. There are several provisions of the Tax Act that do not go into effect until future tax years but are also not expected to have a significant impact on tax positions as currently recorded.

12. STOCK COMPENSATION PLANS

The Company granted 1.3 and 7.2 of restricted stock units, respectively, during the three and nine months ended September 30, 2025 with weighted average grant date fair values of $6.63 and $9.65 per share. The Company granted 1.3 and 1.8 of performance share units during the three and nine months ended September 30, 2025 with weighted average grant date fair values of $5.89 and $6.56 per share.

Total stock-based compensation expense and the associated income tax benefits recognized by the Company in the condensed consolidated statements of operations were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Direct costs	$ 17.2	$ 11.2	$ 46.0	$ 32.5
Selling, general and administrative expenses	5.1	1.8	13.6	9.4
Total stock compensation expense	$ 22.3	$ 13.0	$ 59.6	$ 41.9
Income tax benefits	$ 3.1	$ 2.1	$ 8.5	$ 6.4

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine Months Ended September 30,	
	2025	2024
Supplemental schedule of cash flow information:		
Cash paid during period for:		
Interest	$ 74.1	$ 98.3
Income taxes, net of refunds	15.2	56.8
Disclosure of non-cash investing activities:		
Change in accrued property, plant and equipment	—	(0.5)
Fair value of contingent consideration related to the sale of assets	—	39.6

14. BUSINESS SEGMENT INFORMATION

The following table is a summary of segment information for the three and nine months ended September 30, 2025 and 2024. The segment information is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker ("CODM") for evaluating segment performance and deciding how to allocate resources to segments. The Fortrea Chief Executive Officer has been identified as the CODM.

(dollars and shares in millions, except per share data)

The CODM allocates resources and assesses performance based on the underlying businesses which determines the Company's operating segments. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. Subsequent to the sale of the Enabling Services Segment in 2024, the Company reports its business in one reportable segment: Clinical Services, which provides phase I-IV clinical trials, including clinical pharmacology and comprehensive clinical development capabilities. The measure of segment profit or loss that the CODM uses to evaluates performance and allocate resources is segment operating income. The CODM uses segment operating income to monitor budget versus actual results and to make decisions about resources to be allocated to the segment and assess its performance.

In accordance with ASU 2023-07, *Improvements to Reportable Segment Disclosures*, significant expenses included within segment operating income have been assessed and disclosed in the table below. Corporate costs not included in the segment operating income measure provided to the CODM are included within “Corporate costs not included in segment operating income.” Segment asset information is not presented because it is not used by the CODM at the segment level.

Segment operating income for the three and nine months ended September 30, 2025 and 2024 is reconciled to loss from continuing operations before income taxes as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 701.3	$ 674.9	$ 2,062.9	$ 1,999.4
Less:				
Pass through costs	280.0	228.0	796.2	677.9
Direct costs	298.5	299.0	891.3	927.2
Selling, general and administrative expenses	96.9	102.1	306.6	306.3
Depreciation	4.8	6.0	14.8	18.9
Segment operating income	21.1	39.8	54.0	69.1
Corporate costs not included in segment operating income	10.0	33.8	49.5	107.3
Amortization	14.8	15.2	43.9	45.6
Goodwill and other asset impairments	—	—	797.9	—
Restructuring and other charges	4.9	8.8	21.7	22.5
Operating loss	(8.6)	(18.0)	(859.0)	(106.3)
Interest expense	(22.6)	(22.4)	(68.2)	(101.9)
Foreign exchange loss	(2.6)	(0.2)	(28.1)	(7.0)
Other, net	5.1	4.8	7.9	15.1
Loss from continuing operations before income taxes	$ (28.7)	$ (35.8)	$ (947.4)	$ (200.1)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (in millions)

The following discussion and analysis is intended to provide a summary of significant factors relevant to the financial performance and condition of Fortrea Holdings Inc., which we refer to in this discussion and analysis as "Fortrea," the "Company," "our" and "we". Prior to the spin-off which was completed on June 30, 2023 (the "Spin" or "the Separation"), Fortrea existed and functioned as part of Labcorp Holdings Inc., which we refer to in this discussion and analysis as "Labcorp" or "Former Parent." The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated and combined financial statements and corresponding notes included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Form 10-K") and our unaudited condensed consolidated financial statements and corresponding notes in Item 1. "Financial Statements." Unless otherwise noted, the following information and discussion relates to our continuing operations.

Cautionary Statement Concerning Forward-Looking Statements

This Form 10-Q and other materials we have filed or will file with the Securities and Exchange Commission (the "SEC") include or will include forward-looking statements. Some of the forward-looking statements can be identified by the use of terms such as "believes," "expects," "may," "will," "should," "could," "seeks," "approximately," "intends," "plans," "estimates," "anticipates," or other comparable terms. These forward-looking statements include all matters that are not related to present facts or current conditions or that are not historical facts. They appear in a number of places throughout this Form 10-Q and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which we operate and include, without limitation, statements relating to our future performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond our control. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry development may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. In addition, even if our results of operations, financial condition and liquidity, and industry development are consistent with the forward-looking statements contained in this Form 10-Q, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors could cause actual results to differ materially from those contained in or implied by the forward-looking statements, including the risks and uncertainties discussed in the "Risk Factors" Section of our Form 10-K, as filed with the SEC. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include, among other things: our limited operating history as an independent public company; our dependence on third parties generally to provide services critical to our businesses; the risk that establishment of our accounting and other management systems, and our efforts to improve them, could cost more than anticipated or impact internal controls; the impact of building our brand and increasing our value; our ability to successfully implement our business strategies and execute our long-term value creation strategy; the possibility that Delaware law, our organizational documents, our stockholder rights agreement, and our existing and future debt agreements may impede or discourage a takeover; risks and expenses associated with our international operations including but not limited to currency fluctuations and trade policies; our customer or therapeutic area concentrations; the outcome and impact of pending or future litigation; any deterioration in the macroeconomic environment, which could lead to defaults or cancellations by our customers; the risk that our backlog and net new business may not grow to the extent we anticipate over a specified period of time, that such measures may not be indicative of our future revenues and that we might not realize all of the anticipated future revenue reflected in our backlog; our ability to generate sufficient net new business awards, or the risk that net new business awards are delayed, terminated, reduced in scope, or fail to go to contract; the risk that we may underprice our contracts, overrun our cost estimates, or fail to receive approval for, or experience delays in documentation of change orders; and other factors described in the Form 10-K and from time to time in documents that we file with the SEC.

All forward-looking statements are made only as of the date of this Form 10-Q, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data. For a further discussion of the risks relating to our business, see the “Risk Factors” section of our Annual Report on Form 10-K.

Company Overview

Fortrea, a Delaware corporation incorporated on January 31, 2023, is a leading global contract research organization (“CRO”) providing biopharmaceutical product and medical device development solutions to pharmaceutical, biotechnology and medical device customers. We offer customers highly flexible delivery models that include Full Service, Functional Service Provider (“FSP”), and Hybrid Service structures. We have a rich history of providing clinical development services for over 30 years across more than 20 therapeutic areas, first as Covance and later as Labcorp Drug Development. On June 30, 2023, we completed the Spin from Labcorp. We leverage our global scale, scientific and therapeutic expertise, clinical data insights, technology innovation, industry network and decades of experience as a standalone company and as a business unit prior to the Spin to deliver tailored solutions to our customers. With what we believe is a distinctive market offering, Fortrea meets growing global demand for clinical development services.

Our team of more than 14,500 employees is able to conduct operations in approximately 100 countries and delivers comprehensive phase I – IV clinical trial management, clinical pharmacology, and consulting services for our customers. Our offering is scaled to deliver focused and agile solutions to customers globally, streamlining the biopharmaceutical product and medical device development process.

Sale of Assets Relating to the Enabling Services Segment

On March 9, 2024, the Company, together with its wholly-owned subsidiary, Fortrea Inc. (the “Seller”), entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Endeavor Buyer LLC, an affiliate of Arsenal Capital Partners, pursuant to which the Seller agreed to sell, and to cause its affiliates to sell, certain assets relating to its Enabling Services Segment (the “Transaction”), including the sale of equity interests of Fortrea Patient Access Inc. and its subsidiaries and Endpoint Clinical, Inc. and its subsidiaries. The final adjusted purchase price for the Transaction was $340.0, subject to customary purchase price adjustments, with $295.0 paid at closing and $45.0 to be paid upon achievement of certain transition-related milestones, which includes certain services provided through a Transition Services Agreement. The Transaction closed during the second quarter of 2024. The first milestone payment in the amount of $20.0 was received in the first quarter of 2025. The second and final milestone payment in the amount of $25.0 was received in the third quarter of 2025. The decision to sell such assets relating to the Enabling Services Segment represented a strategic shift that had a significant effect on the Company's results and operations for the periods presented. As a result, the operations of the Enabling Services Segment have been classified as loss from discontinued operations on the condensed consolidated statements of operations.

Backlog

Our backlog consists of anticipated future revenue from business awards that either have not started, or that are in process and have not been completed. Our backlog also reflects any cancellation or adjustment activity related to these awards. The average duration of our contracts will fluctuate from period to period based on the contracts comprising our backlog at any given time. The majority of our contracts contain early termination provisions that typically require notice periods ranging from 30 to 90 days. We adjust backlog for foreign currency fluctuations and exclude from backlog amounts that have been recognized as revenue in our statements of operations. Our backlog was $7.6 billion as of September 30, 2025.

We do not believe that, as a sole measure, our backlog is a consistent indicator of future revenue because it has been, and likely will continue to be, affected by a number of factors, including the variable size and duration of projects, many of which are performed over several years, and changes to the scope of work during the course of projects. Additionally, projects may be canceled or delayed by the customer or regulatory authorities. We generally do not have a contractual right to the full amount of the contract award reflected in our backlog. If a customer cancels a contract, we generally will be reimbursed for the costs we have incurred. For a further discussion of the risks relating to our business, see the “Risk Factors” section of our Annual Report on Form 10-K.

RESULTS OF CONTINUING OPERATIONS

Three and Nine Months Ended September 30, 2025 compared with Three and Nine Months Ended September 30, 2024

The following tables present the financial measures that management considers to be the most significant indicators of the Company's performance.

Revenues

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Revenues	$ 701.3	$ 674.9	3.9 %	$ 2,062.9	$ 1,999.4	3.2 %

The Company’s revenues for the three months ended September 30, 2025 were $701.3, an increase of 3.9% from revenues of $674.9 in the corresponding period in 2024. The change in revenues was due to an increase in organic revenues of 3.5% and favorable foreign currency translation of 0.4%. The Company defines organic growth as the change in revenues excluding the year over year impact of acquisitions, divestitures and currency. The 3.5% increase in organic revenues was primarily driven by increases in revenue in both our clinical pharmacology and clinical development businesses. The increase in clinical pharmacology was primary driven by higher demand and study mix, including higher levels of pass through costs. Clinical development growth was driven by net new business, including higher pass through costs as projects progress through their lifecycle. These increases were partially offset by changes in portfolio mix on longer duration studies as well as lower functional service provider revenue.

The Company’s revenues for the nine months ended September 30, 2025 were $2,062.9, an increase of 3.2% from revenues of $1,999.4 in the corresponding period in 2024. The change in revenues was due to an increase in organic revenues of 3.0% and favorable foreign currency translation of 0.2%. The 3.0% increase in organic revenues was primarily driven by an increase in revenue in our clinical pharmacology business, including higher pass through costs. This increase was partially offset by lower clinical development revenues resulting primarily from the mix of complex and longer duration studies in our portfolio as well as lower functional service provider revenue, which more than offset revenue from net new business, including higher pass through costs as projects progress through their lifecycle.

Direct Costs, Exclusive of Depreciation and Amortization

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Direct costs	$ 578.6	$ 526.6	9.9 %	$ 1,690.2	$ 1,606.1	5.2 %
Direct costs as a % of revenues	82.5 %	78.0 %		81.9 %	80.3 %	

Direct costs consist primarily of payroll and related benefits for project-related employees, reimbursable expenses (pass through costs), transition services agreement costs, information technology costs, and other direct costs.

Direct costs increased 9.9% during the three months ended September 30, 2025 as compared with the corresponding period in 2024. Direct costs increased as a percentage of revenues to 82.5% during the three months ended September 30, 2025 as compared to 78.0% in the corresponding period in 2024. The increase in direct costs was primarily due to an increase in pass through costs and stock compensation, as well as lower research and development tax credits. This increase was partially offset by lower headcount and personnel costs.

Direct costs increased 5.2% during the nine months ended September 30, 2025 as compared with the corresponding period in 2024. Direct costs increased as a percentage of revenues to 81.9% during the nine months ended September 30, 2025 as compared to 80.3% in the corresponding period in 2024. The increase in direct costs was primarily due to an increase in pass through costs, stock compensation and direct study related expenses, as well as lower research and development tax credits. This increase was partially offset by lower headcount and personnel costs.

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Selling, general and administrative expenses	$ 106.8	$ 136.3	(21.6)%	$ 353.4	$ 412.6	(14.3)%

Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, transition services agreement costs, information technology costs, other facility charges, advertising and promotional expenses, administrative travel and credit loss provisions.

Selling, general and administrative expenses decreased by 21.6% during the three months ended September 30, 2025 as compared with the corresponding period in 2024. The decrease was primarily due to lower transition service agreement and information technology costs.

Selling, general and administrative expenses decreased by 14.3% during the nine months ended September 30, 2025 as compared with the corresponding period in 2024. The decrease was primarily due to lower transition service agreement and information technology costs. This decrease was partially offset by an increase in costs to support the establishment of our corporate functions as a stand-alone company as well as costs associated with the receivable securitization program.

Depreciation Expense

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Depreciation expense	$ 4.8	$ 6.0	(20.0)%	$ 14.8	$ 18.9	(21.7)%

The decrease in depreciation expense for the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, was due to a decrease in depreciable property, plant and equipment, primarily IT assets.

Amortization Expense

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Amortization of intangibles and other assets	$ 14.8	$ 15.2	(2.6)%	$ 43.9	$ 45.6	(3.7)%

The change in amortization of intangibles and other assets during the three and nine months ended September 30, 2025, as compared to the corresponding periods in 2024, was due to certain intangible assets reaching the end of their useful lives during the first quarter of 2025.

Goodwill and other asset impairments

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Goodwill and other asset impairments	$ —	$ —	nm	$ 797.9	$ —	nm

Goodwill impairment for the three and nine months ended September 30, 2025 was $— and $797.9, respectively. The impairment for the nine months ended September 30, 2025 was specific to the Clinical Development reporting unit. There were no goodwill and other asset impairments for the three and nine months ended September 30, 2024.

Restructuring and Other Charges

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Restructuring and other charges	$ 4.9	$ 8.8	(44.3)%	$ 21.7	$ 22.5	(3.6)%

During the three and nine months ended September 30, 2025, the Company recorded net restructuring charges of $4.9 and $21.7, respectively, which are reflected within restructuring and other charges in the condensed consolidated statements of operations. These charges are associated with Company actions to streamline its operations and eliminate redundant positions including $3.2 in impairment of facility related assets during the nine months ended September 30, 2025.

During the three and nine months ended September 30, 2024, the Company recorded net restructuring charges of $8.8 and $22.5, respectively. These charges are associated with Company actions to align resources, and restructure certain operations and include eliminating redundant positions and aligning resources and facilities for cost improvements and to meet customer requirements.

Interest Expense

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Interest expense	$ 22.6	$ 22.4	0.9 %	$ 68.2	$ 101.9	(33.1)%

The increase in interest expense for the three months ended September 30, 2025, as compared with the corresponding period in 2024, was not significant.

The decrease in interest expense for the nine months ended September 30, 2025, as compared with the corresponding period in 2024, was primarily due to the pay down of $70.2 on term loan A and $412.5 on term loan B, and the write-off of $12.2 of debt issuance costs associated with the pay down, during the six months ended June 30, 2024.

Foreign Exchange Loss

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Foreign exchange loss	$ (2.6)	$ (0.2)	1200.0 %	$ (28.1)	$ (7.0)	301.4 %

The foreign exchange loss for the three and nine months ended September 30, 2025 compared to the foreign exchange loss for three and nine months ended September 30, 2024 was primarily due to the fluctuations in the U.S. Dollar against the British Pound and the Euro.

Other, net

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Other, net	$ 5.1	$ 4.8	6.3 %	$ 7.9	$ 15.1	(47.7)%

The increase in other, net for the three months ended September 30, 2025, as compared with the corresponding period in 2024, was not significant.

The decrease in other, net for the nine months ended September 30, 2025, as compared with the corresponding period in 2024, was primarily related to a change in the estimated amount of the contingent consideration payment on a sale of a facility to a third party. This decrease was partially offset by income related to services provided under transition services agreements.

Income Tax (Benefit) Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income tax (benefit) expense	$ (12.8)	$ (17.3)	$ 6.3	$ (2.5)
Income tax (benefit) expense as a % of loss before tax	44.6 %	48.3 %	(0.7)%	1.2 %

For the three months ended September 30, 2025, the Company's effective tax rate was 44.6% compared to the 2024 tax rate of 48.3%. For the nine months ended September 30, 2025, the Company's effective tax rate was (0.7)% compared to the 2024 tax rate of 1.2%. The fluctuations in the quarter-to-date and year-to-date periods were primarily due to goodwill impairment with no tax benefit, withholding taxes on 2025 non-U.S. earnings that are not permanently reinvested, U.S. operating losses with a partial valuation allowance, and non-deductible compensation expense.

Liquidity, Capital Resources and Financial Position

The Company manages cash flow to fund and invest in operational growth, capital expenditures, and credit facility repayments. In connection with the Spin, we incurred indebtedness in an aggregate principal amount of $1,640.0, which consists of borrowings under senior secured term loan facilities and senior secured notes. During the nine months ended September 30, 2024, we paid down $70.2 on term loan A and $412.5 on term loan B. We have also entered into a senior secured revolving credit facility, which consists of a five-year facility in the principal amount of up to $450.0 as further discussed in Note 7, “Debt” to our condensed consolidated financial statements. As of September 30, 2025, there were no balances outstanding on the Company’s revolving credit facility and there were $2.3 in letters of credit issued under the letter of credit sublimit, resulting in $447.7 available for borrowing. The maximum revolver borrowing outstanding was $138.0 and $75.5 during the nine months ended September 30, 2025 and 2024, respectively.

On October 20, 2025, the Company commenced a tender offer to repurchase up to $75.7 of the Company’s outstanding 7.50% Senior secured notes due 2030. The tender offer, which expires on November 18, 2025, is intended to comply with relevant provisions of the indenture governing the Notes relating to the Company’s requirement to repurchase a portion of the outstanding Notes following Fortrea’s sale of assets relating to its Enabling Services Segment.

The above is a summary provided for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities of the Company. The full details of the debt tender offer, including complete instructions on how to tender notes, are included in the offer to purchase which we distributed to noteholders.

On May 6, 2024, we entered into a three-year $300.0 accounts receivable securitization program (the “Receivables Facility”). Under this program, Fortrea Inc. conveys receivable balances to a wholly-owned, bankruptcy-remote special purpose entity, which in turn, may sell receivables to a third-party financial institution in exchange for cash. As of September 30, 2025, the Company had sold $300.0 of receivables, which were derecognized from the Company’s consolidated balance sheet.

We believe our existing cash and cash flows generated from operations, plus existing credit facilities, will be sufficient to cover the needs of our current and planned operations for at least the next 12 months. From time to time, we routinely evaluate strategic opportunities, including potential acquisitions, joint ventures or investments in complementary businesses. We may also access capital markets through the issuance of debt or equity, which we may use in connection with the acquisition of complementary businesses or other significant assets, or for other strategic opportunities, or general corporate purposes.

Cash Flows for the nine months ended September 30, 2025 and 2024

The cash flows related to discontinued operations have not been segregated and are included in the condensed consolidated statements of cash flows and the discussion of the cash flow activity. In summary, the Company’s cash flows were as follows:

	Nine Months Ended September 30,	
	2025	2024
Net cash (used for) provided by operating activities	$ (15.6)	$ 245.7
Net cash provided by investing activities	21.9	248.1
Net cash used for financing activities	(0.6)	(496.7)
Effect of exchange rate changes on cash and cash equivalents	7.1	(0.4)
Net change in cash and cash equivalents	$ 12.8	$ (3.3)

Cash and Cash Equivalents

Cash and cash equivalents at September 30, 2025 and 2024 totaled $131.3 and $105.3, respectively. Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits and other money market instruments, which have maturities when purchased of three months or less.

Cash Flows from Operating Activities

During the nine months ended September 30, 2025, the Company’s operations used $15.6 of cash as compared to $245.7 of cash provided by operations during the nine months ended September 30, 2024. The increase in cash used of $261.3 for the nine months ended September 30, 2025 was primarily due to decreases in cash received from unearned revenue and accounts receivable, driven by the sale of receivables under the Receivables Facility during the nine months ended September 30, 2024, and an increase in cash used for accounts payable. These cash decreases were partially offset by lower use of cash for prepaid expenses, interest and income taxes.

Cash Flows from Investing Activities

Net cash provided by investing activities for the nine months ended September 30, 2025 was $21.9 as compared to $248.1 for the nine months ended September 30, 2024. The $226.2 decrease in net cash provided by investing activities for the nine months ended September 30, 2025 was primarily due to $276.6 of net proceeds from the sale of the Enabling Services Segment during the nine months ended September 30, 2024 offset by receipt of the first and second milestone payments related to the sale during the nine months ended September 30, 2025, and a year over year decrease in capital expenditures. Capital expenditures were $17.7 and $28.7 for the nine months ended September 30, 2025 and 2024, respectively. Capital expenditures for the nine months ended September 30, 2025 were 0.9% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company intends to continue to pursue selective investments in key therapeutic areas, business areas and geographies to drive growth and to improve efficiency of the Company's operations. Such expenditures are expected to be funded by cash flow from operations.

Cash Flows from Financing Activities

Net cash used for financing activities for the nine months ended September 30, 2025 was $0.6 compared to cash used for financing activities of $496.7 for the nine months ended September 30, 2024. Cash used for financing activities for the nine months ended September 30, 2025 was not significant.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet financing other than short term operating leases and letters of credit.

Critical Accounting Policies and Estimates

We have chosen accounting policies that management believes are appropriate to accurately and fairly report our operating results and financial position in conformity with U.S. GAAP. We apply these accounting policies in a consistent manner. The Company's critical accounting policies are summarized in Note 2, "Summary of Significant Accounting Policies" to the consolidated and combined financial statements included in the Annual Report on Form 10-K.

The application of these accounting policies requires that we make estimates and assumptions about future events and apply judgments that affect the reported amounts of assets, liabilities, revenues, expenses, contingent assets and liabilities, and related disclosures. These estimates, assumptions and judgments are based on historical experience, current trends and other factors believed to be reasonable under the circumstances. Management evaluates these estimates and assumptions on an ongoing basis. If actual results ultimately differ from previous estimates, the revisions are included in results of operations when the actual amounts become known.

The accounting policies that involve the most significant estimates, assumptions and management judgments used in preparation of the condensed consolidated financial statements, or are the most sensitive to change due to outside factors, are discussed in Management's Discussion and Analysis in the Form 10-K.

Goodwill

Our policy is to assess goodwill for impairment annually as of October 1, with more frequent assessments if events or changes in circumstances indicate the carrying amount may not be recoverable. Based on the annual test performed on October 1, 2024, it was previously determined that the fair values of our reporting units were greater than the carrying values, resulting in no impairment. For the Clinical Development reporting unit, the fair value of the business exceeded the book value by approximately 10% as of October 1, 2024.

During the first and second quarters of 2025, due to sustained declines in our share price and uncertainties in global macroeconomic conditions, we determined that indicators of impairment existed. As a result, we performed interim impairment tests as of March 31, 2025 and June 30, 2025. There were no indicators of impairment for the three months ended September 30, 2025.

Based upon the results of the quantitative assessment as of March 31, 2025, we concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of $488.8.

Based upon the results of the quantitative assessment as of June 30, 2025, we concluded that the fair value of the Clinical Development reporting unit was less than its carrying value and recorded a goodwill impairment of $309.1.

For the Clinical Pharmacology reporting unit, the fair value of the business substantially exceeded the book value as of March 31, 2025 and June 30, 2025.

Although we believe that the current assumptions and estimates used in our goodwill impairment analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance. It is possible that our conclusions regarding impairment or recoverability of goodwill in any reporting unit could change in future periods. There can be no assurance that the estimates and assumptions used in our goodwill impairment testing performed as of March 31, 2025 and June 30, 2025 will prove to be accurate predictions of the future, if, for example, (i) the businesses do not perform as projected, (ii) overall economic conditions in 2025 or future years vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies for a specific reporting unit change from current assumptions, including loss of major customers, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA.

If our share price was to suffer further sustained declines in the future, or other indicators of impairment are present in future reporting periods, additional impairment testing will be required, which could result in further impairment charges in future periods.

Item 3. Quantitative and Qualitative Disclosures about Market Risk (in millions)

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates and other relevant market rate or price changes. In the ordinary course of business, we are exposed to various market risks, including changes in foreign currency exchange and interest rates, and we regularly evaluate the exposure to such changes. We address our exposure to market risks, principally associated with changes in foreign currency exchange rates and interest rates, through a program of risk management that may include, from time to time, the use of derivative financial instruments such as foreign currency forward contracts, cross currency swaps and interest rate swap agreements in an effort to manage or hedge some of our risk. We do not hold or issue derivative financial instruments for trading purposes. Refer to Note 8, “Derivative Instruments and Hedging Activities” to the condensed consolidated financial statements for information on how the Company utilizes derivative financial instruments.

Foreign Currency Exchange Rates

Approximately 15.5% and 17.2% of our revenues for the nine months ended September 30, 2025 and 2024, respectively, were denominated in currencies other than the U.S. dollar (“USD”). Our financial statements are reported in USD and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into USD for purposes of reporting our condensed consolidated financial results. In the nine months ended September 30, 2025 and the year ended December 31, 2024, the most significant currency exchange rate exposure was the Euro. Excluding the impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to USD would have impacted operating loss for the nine months ended September 30, 2025 by approximately $0.9. Gross accumulated currency translation adjustments recorded as a separate component of stockholders’ equity were $113.1 and $38.0 at September 30, 2025 and September 30, 2024, respectively. We do not have significant operations in countries in which the economy is considered to be highly inflationary.

We earn revenue from service contracts over a period of several months to many years. Accordingly, exchange rate fluctuations during this period may affect our profitability with respect to such contracts. We are also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. We enter into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting under U.S. GAAP and the changes in fair value are recorded directly to earnings.

Interest Rate Risk

The level of our interest rate risk is dependent on our debt exposure and is sensitive to changes in the general level of interest rates. Historical fluctuations in interest rates have not been significant for us; however, this may vary in the future as we have incurred certain indebtedness concurrent with the Spin and may incur additional indebtedness in the future.

In particular, we face the market risks associated with interest rate movements on our variable rate debt. We entered into a variable-to-fixed interest rate swap with respect to some of our floating rate debt in August 2023. At September 30, 2025, we had $572.0 outstanding related to our variable rate debt. Excluding the impacts from any outstanding or future variable-to-fixed interest rate swap transactions, a hypothetical 1% increase in interest rates would result in increased interest expenses of $5.7. We expect to continue to be exposed to an element of market risk from changes to interest rates, including on any refinancing of debt. We expect to regularly assess market risks and to establish policies and business practices to protect against the adverse effects of these exposures. See Note 7, “Debt” to the condensed consolidated financial statements.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), are our controls and other procedures that are designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls over financial reporting, no matter how well designed, have inherent limitations, including the possibility of human error and the override of controls. Therefore, even those systems determined to be effective can provide only "reasonable assurance" with respect to the reliability of financial reporting and financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of our internal controls may vary over time. We review our disclosure controls and procedures and our internal control over financial reporting on an on-going basis and may from time to time make changes aimed at enhancing their effectiveness to ensure that our systems evolve with our business.

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025. Based on this evaluation, our chief executive officer and our chief financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 9, "Commitments and Contingent Liabilities" to the condensed consolidated financial statements, which is incorporated herein by reference.

Item 1A. Risk Factors

Other than as set forth below, there have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on March 3, 2025. For a discussion of the risks relating to our business, see the "Risk Factors" section of our Annual Report on Form 10-K, the "Cautionary Statement Concerning Forward-Looking Statements" set forth in Part I, Item 2 of this Form 10-Q, and as updated by following.

Changes in and uncertainty regarding U.S. regulations, government policies, government funding decisions, trade policies or tariffs could have a material adverse effect upon our business.

Changes in regulations, government funding, government funding decisions, trade policies, pricing policies and tariffs imposed by the U.S. and other governments could have an impact on our business and our pharmaceutical, biotechnology and medical device customers.

Significant political, trade, or regulatory developments in the jurisdictions in which we operate, such as those stemming from the U.S. administration, are difficult to predict and may have a material adverse effect on us. Similarly, changes in U.S. administration policy or the policies of foreign countries that affect the geopolitical landscape could give rise to circumstances outside our control that could negatively impact our business operations, including movement of data, particularly given our international operations, or could subject us to additional risks and expenses including discriminatory or conflicting trade policies, sanctions or tariffs. The extent and duration of increased tariffs or sanctions and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, including but not limited to negotiations between the U.S. and affected countries, the responses of other countries or regions, and exemptions or exclusions that may be granted. The existing and any further trade restrictions, retaliatory trade measures, sanctions and additional tariffs could result in increased costs, disruptions in global shipping and supply chains, restrictions on access to markets and customers, inability to conduct clinical trials in other countries and impacts on our customers and their R&D budgets and priorities, all of which could adversely affect our results of operations or financial condition. In particular, the exposure among certain of our customers to tariffs, pricing mandates, and trade restrictions along with their limited ability to quickly relocate manufacturing may increase capital requirements and create additional pressure on such customers during what may be a period of reduced investment and could create a risk to growth, which could in turn impact our results of operations or financial condition. We and our customers may not be able to fully mitigate the impact of these operational issues, market forces and increased costs or pass price increases on to our customers. While tariffs, pricing, and other trade measures have not yet had a significant impact on our business or results of operations, we cannot predict further developments, and how they may adversely affect our results of operations or financial condition.

In addition, reductions in funding of government agencies and programs relevant to the pharmaceutical, biotechnology and medical device industries—such as the Food and Drug Administration, the National Institutes of Health, and Medicaid—or changes in funding priorities relevant to the pharmaceutical, biotechnology and medical device industries could adversely affect those industries, which could in turn have an effect on the demand for clinical trials and our business. At this time, it is unclear exactly how changes at the federal and state level, as well as any future changes that are made, will impact the industry, what changes will be made to the healthcare reform measures of prior administrations, or whether the government could impose other reform efforts, whether by statute, regulation or executive order, including what, if any, impact such changes could have on our business. We may be unable to anticipate changes in regulatory regimes of the governments where we operate and, therefore, be unable to make timely operational or other changes, assuming we are in a position to effectively respond to any such change, which may not be the case, or to ensure compliance with applicable regulations or orders, all of which could have a material adverse effect on our business. Further, the uncertainties described above may lead to slower decision making and/or could lead to fewer decisions to proceed with studies due to the increased risk profile.

Our stockholder rights agreement could discourage, delay, or prevent a change in control over us and may affect the trading price of our common stock.

In June 2025, our Board of Directors adopted a stockholder rights plan and declared a dividend of one preferred share purchase right (a "Right") for each share of our common stock outstanding on June 23, 2025 to the stockholders of record on that date. In the event that a person or group of affiliated or associated persons has acquired beneficial ownership of 10% or more of our outstanding common stock, subject to certain exceptions, each Right would entitle its holder (other than such person or members of such group) to purchase additional shares of our common stock at a substantial discount to the public market price. In addition, at any time after a person or group of affiliated or associated persons has acquired beneficial ownership of 10% or more of our outstanding common stock (and prior to the acquisition by any person or group of a majority of the outstanding shares of our common stock), the Board of Directors may exchange one share of our common stock for each outstanding Right (other than Rights owned by such person or group, which would have become void).

The stockholder rights plan would cause dilution to a person or group of affiliated or associated persons that acquires a large block of our common stock and thereby make it more difficult for such person or group of affiliated or associated persons to acquire the Company. The foregoing factors could impede a merger, takeover, or other business combination, or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

During the three months ended September 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated any contract, instruction or written plan that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement for the purchase or sale of our securities within the meaning of Item 408 of Regulation S-K.

Item 6. Exhibits

The exhibits below are filed or furnished as a part of this report and are incorporated herein by reference.

			INCORPORATED BY REFERENCE			
EXHIBIT NO.	DESCRIPTION	Filed Herewith	FORM	File No.	Exhibit	Filing Date
10.1	Amended and Restated Fortrea Holdings Inc 2025 Inducement Award Plan.*		S-8	333-289976	99.1	29-Aug-25
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				

31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL Instance document included in Exhibit 101.	X

* Indicates management contract or compensatory plan.

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.

Fortrea Holdings Inc.

By:	*/s/ JILL McCONNELL*
Name:	Jill McConnell
Title:	Chief Financial Officer (On behalf of the Registrant and as Principal Financial Officer)

Date: November 5, 2025

Exhibit 31.1

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Anshul Thakral, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fortrea Holdings Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2025

/s/ Anshul Thakral

Anshul Thakral
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jill McConnell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fortrea Holdings Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Jill McConnell
Jill McConnell
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Anshul Thakral, Chief Executive Officer of Fortrea Holdings Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 5, 2025

/s/ Anshul Thakral
Anshul Thakral
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jill McConnell, Chief Financial Officer of Fortrea Holdings Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 5, 2025

/s/ Jill McConnell

Jill McConnell

Chief Financial Officer

(Principal Financial Officer)