

Fortrea Holdings Inc.

U.S. Securities Litigation

Fortrea Holdings Inc. (NASDAQ: FTRE): Fortrea Holdings Inc. (“Fortrea” or the “Company”) and certain of the Company’s senior executives have been sued for violations of the federal securities laws. The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of investors in Fortrea securities. The case is pending in the U.S. District Court for the Southern District of New York and is captioned *Deslande v. Fortrea Holdings Inc., et al.*, No. 1:25-cv-04630.

If you incurred losses on your investments in Fortrea, you are encouraged to submit your information.

Why Was Fortrea Sued for Securities Fraud?

Fortrea is a global contract research organization that provides biopharmaceutical product and medical device development solutions. In June 2023, Fortrea was spun off into a standalone, publicly traded company by Labcorp Holdings Inc. (“Labcorp”). In connection with the spin-off, Fortrea entered into several transition services agreements (the “TSAs”), pursuant to which it agreed to pay Labcorp for certain transitional services over a set period.

During the relevant period, Fortrea discussed the significant cost savings and margin improvements that would result from exiting the TSAs. What’s more, Fortrea stated its commercial transformation since the spin-off was “already delivering results, most visibly in terms of new business,” and that the company would realize margin improvement from revenue growth in line with market growth rates.

As alleged, in truth, Fortrea overstated the cost savings and margin improvement it would achieve by exiting the TSAs, as well as the amount of revenue it would generate from pre-spin projects.

The Stock Declines as the Truth Is Revealed

On September 25, 2024, investment bank Jefferies published a report downgrading Fortrea from buy to hold. According to Jefferies, the cost savings Fortrea would achieve from exiting the TSAs were “[n]ot as [m]aterial as [o]ne [m]ight [t]hink.”

Jefferies further stated that certain costs to exit the TSAs were already excluded from adjusted EBITDA and that once the TSAs are exited, Fortrea “will just be replacing TSA costs with internal operating costs.” On this news, the price of Fortrea stock declined \$2.73 per share, or over 12%, from a closing price of \$22.21 per share on September 24, 2024, to \$19.48 per share on September 25, 2024.

On December 6, 2024, market analyst Baird Equity Research downgraded Fortrea to neutral from outperform after the company abruptly cancelled two scheduled conferences. A Baird analyst said that given Fortrea’s “choppy history post spin, and lack of clarity on the abrupt communications course change, we cannot recommend an actionable investment.” On this news, the price of Fortrea stock declined \$1.90 per share, or over 8%, from a closing price of \$23.57 per share on December 5, 2024, to \$21.67 per share on December 6, 2024.

Then, on March 3, 2025, Fortrea announced its Q4 and full year 2024 financial results, disclosing that its targeted revenue and adjusted EBITDA metrics for 2025 were “not in line with our prior expectations.” Specifically, Fortrea revealed that the company’s pre-spin projects “have less revenue and less profitability than expected for 2025” and that “post-spin work is not coming on fast enough to offset the pre-spin contract economics.” Fortrea stated that this issue “will continue to negatively impact our financial performance during 2025.” On this news, the price of Fortrea stock declined \$3.47 per share, or over 25%, from a closing price of \$13.85 per share on February 28, 2025, to \$10.38 per share on March 3, 2025, the next trading day.

What Are My Rights?

If you purchased or otherwise acquired Fortrea securities, you may ask the Court no later than August 1, 2025, which is the first business day after 60 days from the date of the publication of notice of pendency of the action, to appoint you as Lead Plaintiff through counsel of your choice. To be a member of the Class, you need not take any action at this time. The ability to share in any potential future recovery is not dependent on serving as Lead Plaintiff.

Contact Us

If you incurred losses on your investments in Fortrea, you are encouraged to submit your information using the form on this page to speak with an attorney about your rights.

You can also contact:
Ross Shikowitz

ross@bfalaw.com

212.789.3619

All representation is on a contingency fee basis. Shareholders are not responsible for any court costs or expenses of litigation. The firm will seek court approval for any potential fees and expenses.

Why Bleichmar Fonti & Auld LLP?

BFA is a leading international law firm representing plaintiffs in securities class actions and shareholder litigation. It has been named a top plaintiff law firm by *Chambers USA*, *The Legal 500*, and *ISS SCAS*, and its attorneys have been named “Elite Trial Lawyers” by the *National Law Journal*, among the top “500 Leading Plaintiff Financial Lawyers” by *Lawdragon*, “Titans of the Plaintiffs’ Bar” by *Law360* and “SuperLawyers” by Thomson Reuters. Among its recent notable successes, BFA recovered over \$900 million in value from Tesla, Inc.’s Board of Directors, as well as \$420 million from Teva Pharmaceutical Ind. Ltd.

Attorney advertising. Past results do not guarantee future outcomes.