2Q22 Regulation G Financial Reconciliations



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED) ⁽¹⁾ (in thousands, except percentages)

June 25, 2022 June 26, 2021 June 26,		Three Months Ended				Six Months Ended					
Revenue \$ 186,410 \$ 176,684 \$ 362,602 \$ 352,60 37,408 87,408 <th< th=""><th></th><th>Ju</th><th>ne 25, 2022</th><th></th><th>June 26, 2021</th><th></th><th>June 25, 2022</th><th></th><th>June 26, 2021</th></th<>		Ju	ne 25, 2022		June 26, 2021		June 25, 2022		June 26, 2021		
Operating income as a % of revenue 39,526 42,580 67,498 67,515 Operating income as a % of revenue 21.2 % 24.1 % 24.1 % 24.1 % Anonization related adjustments (?) 5,472 5,346 9,310 10.685 Severance 45.3 - 1.127 7 Total non-GAAP adjustments (?) 5 6,862 4,8448 \$ 911721 \$ Depreciation and anonization \$ 1.222 % \$ 9,844 \$ 22.09 % \$ 11,868 Non-GAAP operating income as 3% of revenue \$ 1.3228 \$ 9,844 \$ 22.09 % \$ 11,953 Discourge and Safety Assessment \$ 1.128,793 104,514 2.233,79 \$ 19,65,483 Add back: 21.8 % 19,4 % 20.06 % \$ 1.138,176 \$ 1.149,5483 Operating income as 3% of revenue 22,879 \$ 14,4 % 22,379 \$ 19,5,483 Operating income as 4% of revenue 22,879 \$<											
Operating income as a % of revenue 21.2 % 24.1 % 24.		\$		\$		\$		\$			
Add back: 4.3000000000000000000000000000000000000											
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Revenue \$ 194,804 \$ 197,819 \$ 387,932 \$ 344,297 Operating income 62,503 56,717 108,871 106,154 Operating income as a % of revenue 32.1 % 28.7 % 28.1 % 30.8 % Add back: 11,373 7,812 23,271 10,026 Severance 271 535 378 829 Acquisition related adjustments ⁽²⁾ (18,888) 686 (14,746) 728 Site consolidation costs, impairments and other items ⁽³⁾ \$ (6,725) \$ 9,033 \$ 10,843 \$ 14,623 Operating income, excluding non-GAAP adjustments \$ 55,778 \$ 9,033 \$ 11,974 \$ 11,623 Operating income, excluding non-GAAP adjustments \$ 55,778 \$ 65,750 \$ 119,714 \$ 117,777 Non-GAAP operating income as a % of revenue \$ 18,000 \$ 13,952 \$ 36,482 \$ 20,521 Depreciation and amortization \$ 18,000 \$ 13,602 \$ 47,	Capital expenditures	\$	41,578	\$	20,473	\$	90,508	\$	37,513		
Operating income 62,503 56,717 108,871 106,154 Operating income as a % of revenue 32.1 % 28.7 % 28.1 % 30.8 % Add back: 11,373 7,812 23,271 10,026 Amortization related to acquisitions 271 535 378 829 Acquisition related adjustments (2) (18,888) 686 (14,746) 728 Site consolidation costs, impairments and other items (3) 519 — 1,940 40 Total non-GAAP adjustments to operating income \$ (6,725) \$ 9,033 \$ 119,714 \$ 117,777 Non-GAAP operating income as a % of revenue \$ 55,778 \$ 65,750 \$ 119,714 \$ 117,777 Non-GAAP operating income as a % of revenue \$ 32.6 % 33.2 % 30.9 % 34.2 % Depreciation and amortization \$ 18,000 \$ 13,952 \$ 36,482 \$ 20,521 Capital expenditures \$ 24,431 \$ 13,602		•		•		•		•			
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Acquisition related adjustments (2) (18,888) 686 (14,746) 728 Site consolidation costs, impairments and other items (3) 519 - 1,940 40 Total non-GAAP adjustments to operating income \$ (6,725) \$ 9,033 \$ 10,843 \$ 11,623 Operating income, excluding non-GAAP adjustments \$ 55,778 \$ 65,750 \$ 119,714 \$ 117,777 Non-GAAP operating income as a % of revenue 28.6 % 33.2 % 30.9 % 34.2 % Depreciation and amortization \$ 18,000 \$ 13,952 \$ 36,482 \$ 20,521 Capital expenditures \$ 24,431 \$ 13,602 \$ 47,259 \$ 20,712											
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Non-GAAP operating income as a % of revenue 28.6 % 33.2 % 30.9 % 34.2 % Depreciation and amortization \$ 18,000 \$ 13,952 \$ 36,482 \$ 20,521 Capital expenditures \$ 24,431 \$ 13,602 \$ 47,259 \$ 20,712		\$		\$		\$		\$			
Capital expenditures \$ 24,431 \$ 13,602 \$ 47,259 \$ 20,712		Ŷ		Ψ		Ψ		Ψ			
		\$	24,431	\$	13,602	\$	47,259	\$	20,712		

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED) ⁽¹⁾ (in thousands, except percentages)

CONTINUED FROM PREVIOUS SLIDE		Three Mor	nths Er	nded	Six Months Ended					
	Ju	ne 25, 2022		June 26, 2021	J	une 25, 2022	J	une 26, 2021		
Unallocated Corporate Overhead	\$	(43,411)	\$	(66,261)	\$	(93,869)	\$	(127,879)		
Add back:										
Severance		167		_		1,254		(151)		
Acquisition related adjustments (2)		3,014		15,064		7,130		25,624		
Total non-GAAP adjustments to operating expense	\$	3,181	\$	15,064	\$	8,384	\$	25,473		
Unallocated corporate overhead, excluding non-GAAP adjustments	\$	(40,230)	\$	(51,197)	\$	(85,485)	\$	(102,406)		
Total										
Revenue	\$	973,131	\$	914,607	\$	1,887,060	\$	1,739,173		
Operating income		187,411		137,550		336,189		261,253		
Operating income as a % of revenue		19.3 %		15.0 %		17.8 %		15.0 %		
Add back:										
Amortization related to acquisitions		37,694		34,334		75,795		64,535		
Severance		1,278		1,463		3,220		2,025		
Acquisition related adjustments ⁽²⁾		(17,494)		16,674		(11,776)		33,002		
Site consolidation costs, impairments and other items ⁽³⁾		2,806		146		4,296		333		
Total non-GAAP adjustments to operating income	\$	24,284	\$	52,617	\$	71,535	\$	99,895		
Operating income, excluding non-GAAP adjustments	\$	211,695	\$	190,167	\$	407,724	\$	361,148		
Non-GAAP operating income as a % of revenue		21.8 %		20.8 %		21.6 %		20.8 %		
Depreciation and amortization	\$	76,421	\$	68,105	\$	151,720	\$	129,613		
Capital expenditures	\$	82,852	\$	46,431	\$	163,316	\$	74,461		

(1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.

(2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, fair value adjustments associated with contingent consideration, and an adjustment related to certain indirect tax liabilities.

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) responses to a U.S. government industry-wide supply chain management inquiry applicable to our Safety Assessment business.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (UNAUDITED) ⁽¹⁾ (in thousands, except per share data)

		Three Months Ended			Six Months Ended					
	Jur	ne 25, 2022	Jur	ne 26, 2021	Jur	ne 25, 2022		June 26, 2021		
Net income attributable to common shareholders	\$	109,321	\$	88,448	\$	202,343	\$	149,978		
Add back:										
Non-GAAP adjustments to operating income (Refer to previous schedule)		24,284		52,617		71,535		99,895		
Write-off of deferred financing costs and fees related to debt financing		_		110		_		26,089		
Venture capital and strategic equity investment losses (gains), net Other $\ensuremath{^{(2)}}$		9,612 3,608		(9,809) (572)		23,515 3,965		6,910 (2,942)		
Tax effect of non-GAAP adjustments:										
Non-cash tax provision related to international financing structure (3)		1,341		1,285		2,463		2,320		
Enacted tax law changes		—		10,036		—		10,036		
Tax effect of the remaining non-GAAP adjustments		(6,293)		(8,316)		(20,813)		(29,329)		
Net income attributable to common shareholders, excluding non-GAAP adjustments	\$	141,873	\$	133,799	\$	283,008	\$	262,957		
Weighted average shares outstanding - Basic Effect of dilutive securities:		50,823		50,297		50,732		50,138		
Stock options, restricted stock units and performance share units		460		1,037		561		1,087		
Weighted average shares outstanding - Diluted		51,283		51,334		51,293		51,225		
Earnings per share attributable to common shareholders:										
Basic	\$	2.15	\$	1.76	\$	3.99	\$	2.99		
Diluted	\$	2.13	\$	1.72	\$	3.94	\$	2.93		
Basic, excluding non-GAAP adjustments	\$	2.79	\$	2.66	\$	5.58	\$	5.24		
Diluted, excluding non-GAAP adjustments	\$	2.77	\$	2.61	\$	5.52	\$	5.13		

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⁽²⁾ Adjustments included in 2022 relate to a purchase price adjustment in connection with the 2021 divestiture of RMS Japan and a reversal of an indemnification asset related to a prior acquisition. Adjustments included in 2021 include gains on an immaterial divestiture and the finalization of an annuity purchase related to the termination of the Company's U.S. pension plan.

⁽³⁾ This adjustment relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP REVENUE GROWTH TO NON-GAAP REVENUE GROWTH, ORGANIC (UNAUDITED) ⁽¹⁾

Three Months Ended June 25, 2022	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	6.4 %	5.5 %	9.6 %	(1.5) %
Decrease due to foreign exchange	3.4 %	3.0 %	3.3 %	4.1 %
Contribution from acquisitions (2)	(2.3) %	(7.2) %	— %	(4.0) %
Impact of divestitures (3)	2.0 %	7.2 %	— %	2.4 %
Non-GAAP revenue growth, organic ⁽⁴⁾	9.5 %	8.5 %	12.9 %	1.0 %
Six Months Ended June 25, 2022	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	8.5 %	2.6 %	9.1 %	12.7 %
Decrease due to foreign exchange	2.6 %	2.1 %	2.5 %	3.5 %
Contribution from acquisitions (2)	(3.4) %	(3.6) %	(0.3) %	(12.7) %
Impact of divestitures (3)	1.8 %	7.5 %	(0.1) %	1.4 %
Non-GAAP revenue growth, organic ⁽⁴⁾	9.5 %	8.6 %	11.2 %	4.9 %

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⁽²⁾ The contribution from acquisitions reflects only completed acquisitions.

⁽³⁾ The Company sold both its RMS Japan operations and its gene therapy CDMO site in Sweden on October 12, 2021. This adjustment represents the revenue from these businesses for all applicable periods in 2021.

⁽⁴⁾ Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures and foreign exchange.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS) Guidance for the Twelve Months Ended December 31, 2022E

2022 GUIDANCE	CURRENT	PRIOR
Revenue growth, reported	9.0% - 11.0%	13.5%-15.5%
Less: Contribution from acquisitions/divestitures, net	~(1.0%)	~(1.0%)
Less: Impact of 53rd week in 2022	~(1.5%)	~(1.5%)
Unfavorable/(favorable) impact of foreign exchange	~3.5%	~1.5%
Revenue growth, organic (1)	10.0%-12.0%	12.5%-14.5%
GAAP EPS estimate	\$7.90-\$8.15	\$8.70-\$8.95
Acquisition-related amortization	~\$2.20	\$2.15-\$2.25
Acquisition and integration-related adjustments (2)		~\$0.25
Venture capital and other strategic investment losses/(gains), net ⁽³⁾	\$0.35	\$0.20
Other items ⁽⁴⁾	~\$0.25	~\$0.15
Non-GAAP EPS	\$10.70-\$10.95	\$11.50-\$11.75
Cash flow from operating activities	~\$700 million	~\$810 million
Capital expenditures	~\$340 million	~\$360 million
Free cash flow	~\$360 million	~\$450 million

Footnotes to Guidance Table:

⁽¹⁾ Organic revenue growth is defined as reported revenue growth adjusted for completed acquisitions and divestitures, the 53rd week in 2022, and foreign currency translation.

(2) These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain third-party integration costs, and certain costs associated with acquisition-related efficiency initiatives, offset by adjustments related to contingent consideration and certain indirect tax liabilities.

⁽³⁾ Venture capital and other strategic investment performance only includes recognized gains or losses. The Company does not forecast the future performance of these investments.

(4) These items primarily relate to charges associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure; certain third-party legal costs related to (a) environmental litigation related to the Microbial Solutions business and (b) responses to a U.S. government industry-wide supply chain management inquiry applicable to our Safety Assessment business; and severance and other costs related to the Company's efficiency initiatives.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE ⁽¹⁾ (in thousands)

			Th	ree Months Ended		Fiscal Year Ended
	Jun	e 25, 2022		March 26, 2022	 June 26, 2021	December 31, 2022E
GAAP Interest expense, net	\$	3,515	\$	16,019	\$ 16,019	\$75,000-\$79,000
Exclude:						
Write-off of deferred financing costs and fees related to debt financing				_	 (110)	
Non-GAAP Interest expense, net		3,515		9,307	15,909	\$75,000-\$79,000
Adjustments for foreign exchange forward contract and related interest expense, net $^{(2)}$		19,423		11,101	 4,907	31,000
Adjusted Interest expense, net	\$	22,938	\$	20,408	\$ 20,816	\$106,000-\$110,000

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(2) Amounts reported in total adjusted interest expense include a \$20.5 million gain on a forward contract and \$0.7 million of additional interest expense for the three months ended June 25, 2022; an \$11.8 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2022; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended March 26, 2021.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GROSS/NET LEVERAGE RATIO, INCLUDING GAAP NET INCOME TO ADJUSTED EBITDA (1)

(dollars in thousands, except for per share data)

		ne 25 022	Dec	ember 25, 2021		nber 26,)20	De	cember 28, 2019		ember 29, 2018	Dee	cember 30, 2017		mber 31, 2016	ember 26, 2015	ember 27, 2014		nber 28,)13	December 2012	
DEBT ⁽²⁾ :																				
Total Debt & Finance Leases	\$2	2,999,585	\$	2,666,359	\$ 1	,979,784	\$	1,888,211	\$	1,668,014	\$	1,145,104	\$	1,235,009	\$ 863,031	\$ 777,863	6	663,789	\$ 666	6,520
Plus: Other adjustments per credit agreement		9,550		37,244		2,328		712		3,033		298		3,621	1,370	2,828		9,787	g	9,680
Less: Unrestricted Cash and Cash Equivalents up to \$150M		(150,000)		(150,000)																
Total Indebtedness per credit agreement	\$ 2	2,859,135	\$	2,553,603	\$ 1	,982,112	\$	1,888,923	\$	1,671,047	\$	1,145,402	\$	1,238,630	\$ 864,401	\$ 780,691 \$	6	673,576	\$ 676	6,200
Less: Cash and cash equivalents (net of \$150M above)		(50,321)		(91,214)		(228,424)		(238,014)		(195,442)		(163,794)		(117,626)	(117,947)	(160,023)		(155,927)	· ·	9,685)
Net Debt	\$2	2,808,814	\$	2,462,389	\$ 1	,753,688	\$	1,650,909	\$	1,475,605	\$	981,608	\$	1,121,004	\$ 746,454	\$ 620,668	6	517,649	\$ 566	6,515
	• • • •	ne 25 022	Dec	ember 25, 2021		nber 26,)20	De	cember 28, 2019		ember 29, 2018	Dee	cember 30, 2017		mber 31, 2016	ember 26, 2015	ember 27, 2014		1ber 28,)13	December 2012	-,
ADJUSTED EBITDA ⁽²⁾ :																				
Net income attributable to common shareholders	\$	443,347	\$	390,982	\$	364,304	\$	252,019	\$	226,373	\$	123,355	\$	154,765	\$ 149,313	\$ 126,698 \$	6	102,828	\$97	7,295
Adjustments: Adjust: Non-cash gains/losses of VC partnerships & strategic investments		65,549		66,004																
Less: Aggregate non-cash amount of nonrecurring gains		(74,580)		(42,247)		(1,361)		(310)		_		_		(685)	(9,878)	(2,048)		_		_
Plus: Interest expense		(74,380) 87,495		(42,247)		76,825		79,586		65,258		29,777		27,709	(9,070)	(2,048)		20,969	33	3.342
Plus: Provision for income taxes		90,995		81.873		81,808		50.023		54,996		171,369		66,835	43.391	46.685		32,142		4.894
Plus: Depreciation and amortization		287,647		265,540		234,924		198,095		161,779		131,159		126,658	94,881	96,445		96,636		1,275
Plus: Non-cash nonrecurring losses		9,673		8,573		16,810		427		559		17,716		6,792	10,427	1,615		4,202		2,283
Plus: Non-cash stock-based compensation		70,746		71,461		56,341		57,271		47,346		44,003		43,642	40,122	31,035		24,542	21	1,855
Plus: Permitted acquisition-related costs		36,791		51,256		18,750		34,827		19,181		6,687		22,653	13,451	6,285		1,752	3	3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions		10,844		4,008		8		12,320		15,648		690		18,573	9,199	10,787		_		253
Adjusted EBITDA (per the calculation defined in compliance certificates)	\$ 1	,028,507	\$	1,004,674	\$	848,409	\$	684,258	\$	591,140	\$	524,756	\$	466,942	\$ 365,978	\$ 329,452	6	283,071	\$ 274	4,873
		ne 25 022	Dec	ember 25, 2021		nber 26,)20	De	cember 28, 2019	Dec	ember 29, 2018	Dec	cember 30, 2017		mber 31, 2016	ember 26, 2015	ember 27, 2014		nber 28,)13	December 2012	- /
LEVERAGE RATIO:																				
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)		2.78		2.54		2.34		2.76		2.83		2.18		2.65	2.36	2.37		2.38		2.46
Net leverage ratio (net debt divided by adjusted EBITDA)		2.73	-	2.45		2.07	-	2.41		2.50		1.87		2.40	2.04	1.88		1.83		2.06
		ne 25	Dec	ember 25,		1ber 26,	De	cember 28,	Dec	ember 29,	Dec			mber 31,	mber 26,	,		,	December	,
INTEREST COVERAGE RATIO:	20	022		2021	20	020		2019		2018		2017	4	2016	2015	2014	20	013	2012	
Capital Expenditures		322.159		166,560		166,560														
Cash Interest Expense		88,172		77,145		77,145														
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)		8.01x		10.86x		8.84x														

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(2) Pursuant to the definition in its credit agreement dated April 21. 2021, the Company has defined its pro forma leverage ratio as total debt divided by adjusted EBITDA for the trailing-twelve-month period. The Company has defined interest coverage ratio as adjusted EBITDA for the trailing-twelve-month period less the aggregate amount of capital expenditures for the trailing-twelve-period; divided by the consolidated interest expense for the period of four consecutive fiscal quarters.

Total Debt represents third-party debt and financial lease obligations minus up to \$150M of unrestricted cash and cash equivalents. Adjusted EBITDA represents net income, prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), adjusted for interest, taxes, depreciation and amortization, and certain items that management believes are not reflective of the operational performance of the business. These adjustments include, but are not limited to, non-cash gains/loss on venture capital portfolios and strategic partnerships, acquisition-related expenses including transaction and advisory costs; asset impairments; changes in fair value of contingent consideration obligations; employee stock compensation; historical EBITDA of companies acquired during the period; and other items identified by the company.



Total Debt and EBITDA have not been restated for periods prior to Q1 2021.

EVERY STEP OF THE WAY

CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED) ⁽¹⁾ (in thousands, except percentages)

	Three Months Ended		
	Marc	ch 26, 2022	
Unallocated Corporate Overhead	\$	(50,458)	
Add back:			
Severance		1,087	
Acquisition related adjustments (2)		4,116	
Total non-GAAP adjustments to operating expense	\$	5,203	
Unallocated corporate overhead, excluding non-GAAP adjustments	\$	(45,255)	

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(2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (UNAUDITED) ⁽¹⁾

(in thousands)

		(-,										
		Three Months Ended						Six Months Ended					
	Ju	ine 25, 2022	M	arch 26, 2022	Ju	ne 26, 2021	Ju	ne 25, 2022	June 26, 2021				
Income before income taxes & noncontrolling interests	\$	144,113	\$	110,846	\$	127,496	\$	254,959	\$	193,798			
Add back:													
Amortization related to acquisitions		37,694		38,101		34,334		75,795		64,535			
Severance		1,278		1,942		1,463		3,220		2,025			
Acquisition related adjustments (2)		(17,494)		5,718		16,674		(11,776)		33,002			
Site consolidation costs, impairments and other items ⁽³⁾		2,806		1,490		146		4,296		333			
Write-off of deferred financing costs and fees related to debt financing		—		—		110		—		26,089			
Venture capital and strategic equity investment losses (gains), net		9,612		13,903		(9,809)		23,515		6,910			
Other ⁽⁴⁾		3,608		357		(572)		3,965		(2,942)			
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	\$	181,617	\$	172,357	\$	169,842	\$	353,974	\$	323,750			
Provision for income taxes (GAAP)	\$	33,449	\$	15,620	\$	37,580	\$	49,069	\$	39,947			
Non-cash tax benefit related to international financing structure (5)		(1,341)		(1,122)		(1,285)		(2,463)		(2,320)			
Enacted tax law changes		—		—		(10,036)		—		(10,036)			
Tax effect of the remaining non-GAAP adjustments		6,293		14,520		8,316		20,813		29,329			
Provision for income taxes (Non-GAAP)	\$	38,401	\$	29,018	\$	34,575	\$	67,419	\$	56,920			
Total rate (GAAP)		23.2 %		14.1 %		29.5 %		19.2 %		20.6 %			
Total rate, excluding specified charges (Non-GAAP)		21.1 %		16.8 %		20.4 %		19.0 %		17.6 %			

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(2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, fair value adjustments associated with contingent consideration, and an adjustment related to certain indirect tax liabilities.

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) responses to a U.S. government industry-wide supply chain management inquiry applicable to our Safety Assessment business.

(4) Adjustments included in 2022 relate to a purchase price adjustment in connection with the 2021 divestiture of RMS Japan and a reversal of an indemnification asset related to a prior acquisition. Adjustments included in 2021 include gains on an immaterial divestiture and the finalization of an annuity purchase related to the termination of the Company's U.S. pension plan.

⁽⁵⁾ This adjustment relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF FREE CASH FLOW (NON-GAAP)⁽¹⁾ (in thousands)

		Three Mon	led		Six Mont	Fiscal Year Ended			
	Jur	ne 25, 2022	Ju	une 26, 2021	June 25, 2022			une 26, 2021	December 31, 2022E
Net cash provided by operating activities	\$	149,474	\$	186,590	\$	252,104	\$	356,819	~\$700,000
Less: Capital expenditures		(82,852)		(46,431)		(163,316)		(74,461)	(~340,000)
Free cash flow	\$	66,622	\$	140,159	\$	88,788	\$	282,358	~\$360,000

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