William Blair 38th Annual Growth Stock Conference

June 13, 2018

Charles River Laboratories

David R. Smith
Executive Vice President & Chief Financial Officer

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Safe Harbor Statement

Caution Concerning Forward-Looking Statements. This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “may,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements also include statements regarding our projected 2018 and other future financial performance whether reported, constant currency, organic, and/or factoring acquisitions or the divestiture of the CDMO business, including, with respect to Charles River as a whole and/or any of our reporting or operating segments or business units, revenue and revenue growth rates, operating margin, earnings per share, capital expenditures, operating and free cash flow, specified costs (including unallocated corporate expenses), net interest expense, effective tax rate (including excess tax benefits associated with stock compensation due to the adoption of ASU 2016-09), average diluted share count, global efficiency initiatives, cost increases, pricing, foreign exchange rates, LIBOR rates, leverage ratios, days sales outstanding, and the operating results of our businesses; the expected performance of our venture capital investments; the future demand for drug discovery and development products and services, and our intentions to expand those businesses; the impact of our facility consolidations (including our Maryland research model production site); our expectations regarding stock repurchases and debt repayment; the development and performance of our services and products; market and industry conditions including industry consolidation, outsourcing of services and identification of spending trends by our customers and funding available to them; the potential outcome of and impact to our business and financial operations due to litigation and legal proceedings and tax law changes; the impact of US tax reform passed in the fourth quarter of 2017; our success in identifying, consummating, and integrating, and the impact of, our acquisitions including the attainment of synergies; our strategic agreements with our clients and opportunities for future similar arrangements; our ability to obtain new clients in targeted market segments and/or to predict which client segments will be future growth drivers; the impact of our investments in specified business lines and products; and Charles River’s future performance as otherwise delineated in our forward-looking guidance. Forward-looking statements are based on Charles River’s current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to: the ability to successfully integrate businesses we acquire; the ability to execute our cost-savings actions and the steps to optimize returns to shareholders on an effective and timely basis; the timing and magnitude of our share repurchases; negative trends in research and development spending, negative trends in the level of outsourced services, or other cost reduction actions by our customers; the ability to convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in regulations by the FDA, USDA, or other global regulatory agencies; changes in law (including Brexit and drug price control legislation); changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 13, 2018, as well as other filings we make with the Securities and Exchange Commission. Because forward-looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Charles River, and Charles River assumes no obligation and expressly disclaims any duty to update information contained in this presentation except as required by law.

Regulation G

This presentation includes discussion of non-GAAP financial measures. We believe that the inclusion of these non-GAAP financial measures provides 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, consistent with the manner in which management measures and forecasts the Company’s performance. The non-GAAP financial measures included in this presentation are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. The company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules and regulations. In accordance with Regulation G, you can find the comparable GAAP measures and reconciliations to those GAAP measures on our website at ir.criver.com.

Our Unique Role in Drug Research

Ability to work with clients to discover new drugs and move downstream with them throughout early-stage development

Only CRO with an integrated portfolio that spans the drug research process from target discovery through preclinical development

Charles River's scientists worked on 80% of all drugs approved by the FDA in 2017 and partnered with each of the 100 largest biopharmaceutical companies in the world

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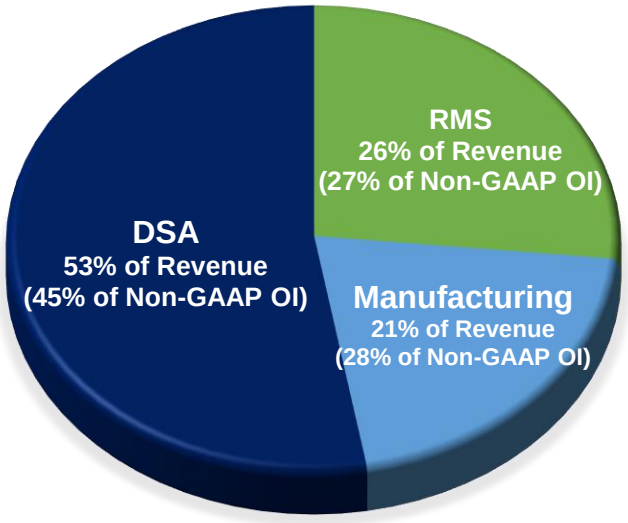
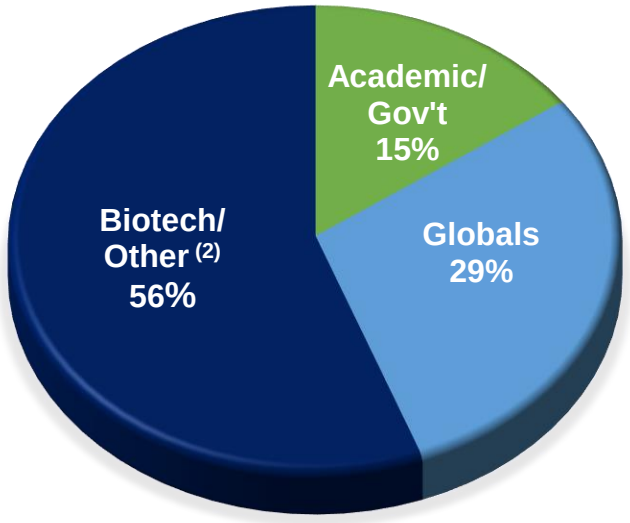
Charles River Overview

- A leading, full-service drug discovery and early-stage development company
  - Revenue of **~$1.86B** (FY 2017)
- A multinational company with **~13,500** employees worldwide
- Facilities strategically located in 23 countries, near our major client base

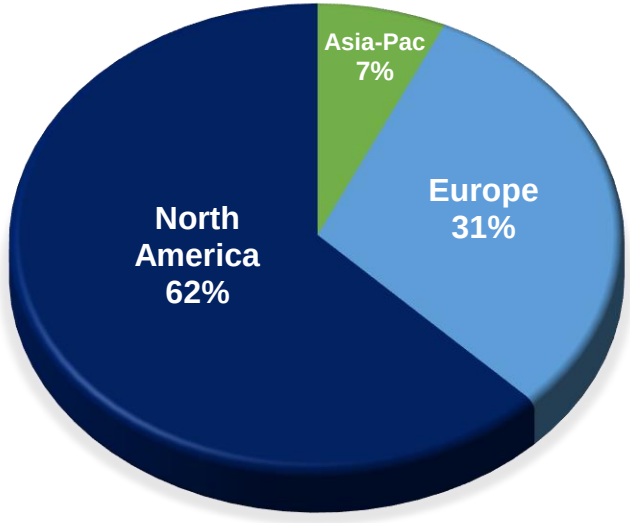
Business Segments(1)



Client Base(1)



Geographic Revenue(1)



See ir.criver.com for reconciliations of Non-GAAP to GAAP results.
(1) Based on CRL's FY 2017 revenue and non-GAAP operating income.
(2) Other clients include agricultural & industrial chemical, CRO, animal health, life science, CMO, consumer product, and medical device companies.

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Research Models & Services

- Global leader in breeding and distribution of research models
  - Largest selection of the most widely used strains in the world
  - **~1 of every 2 models** sold anywhere in the world comes from Charles River
  - Expertise in **biosecurity** ensures animals are free of known contaminants, reducing risk to critical research
- Premier provider of services which support the use of research models in discovery/development of new molecules
  - Genetically Engineered Models and Services **(GEMS)**
  - Research Animal Diagnostic Services (RADS)
  - Insourcing Solutions (IS)
- **Global footprint** with facilities strategically located in close **proximity** to clients
- Increasing presence in high-growth **China** market

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Discovery Services

- A **unique CRO**, offering clients a single source for services across the discovery spectrum
  - Engages with clients earlier in the discovery process
- Integrates **chemistry, *in vitro,* and *in vivo*** capabilities
  - **Oncology**
  - **CNS**
- Recognized for strong science, a collaborative approach to clients' needs, and operational excellence from target to clinically validated development candidate
- Early Discovery has originated **78 novel molecules** for clients since its founding in 1999

Safety Assessment Services

- **Global leader** in both non-regulated (non-GLP) and regulated (GLP) safety assessment services
- Providing clients with expertise for **integrated drug development**
  - **Non-GLP** efficacy studies
  - **Safety Assessment**
    - **General** toxicology
    - **Specialty** toxicology
      - Inhalation, infusion, developmental and reproductive, juvenile/ neonatal, ocular, bone, immunotoxicology, and phototoxicology
  - Comprehensive suite of **bioanalytical services**
  - Expert **pathology** services
- Worked on **80%** of all drugs approved by the FDA in 2017

Microbial Solutions Overview

- Premier global provider of **quality control (QC) testing products** and **services** for **sterile and non-sterile applications**
  - **FDA-mandated** lot release testing for sterile biopharmaceutical products
  - Product release testing required by the FDA and other regulatory agencies for non-sterile products
- Product/Service lines:
  - Endosafe® **endotoxin** detection products and services
    - Conventional or rapid (PTS™ platform)
  - Celsis® **rapid microbial** detection
  - Accugenix® **microbial identification** products and services

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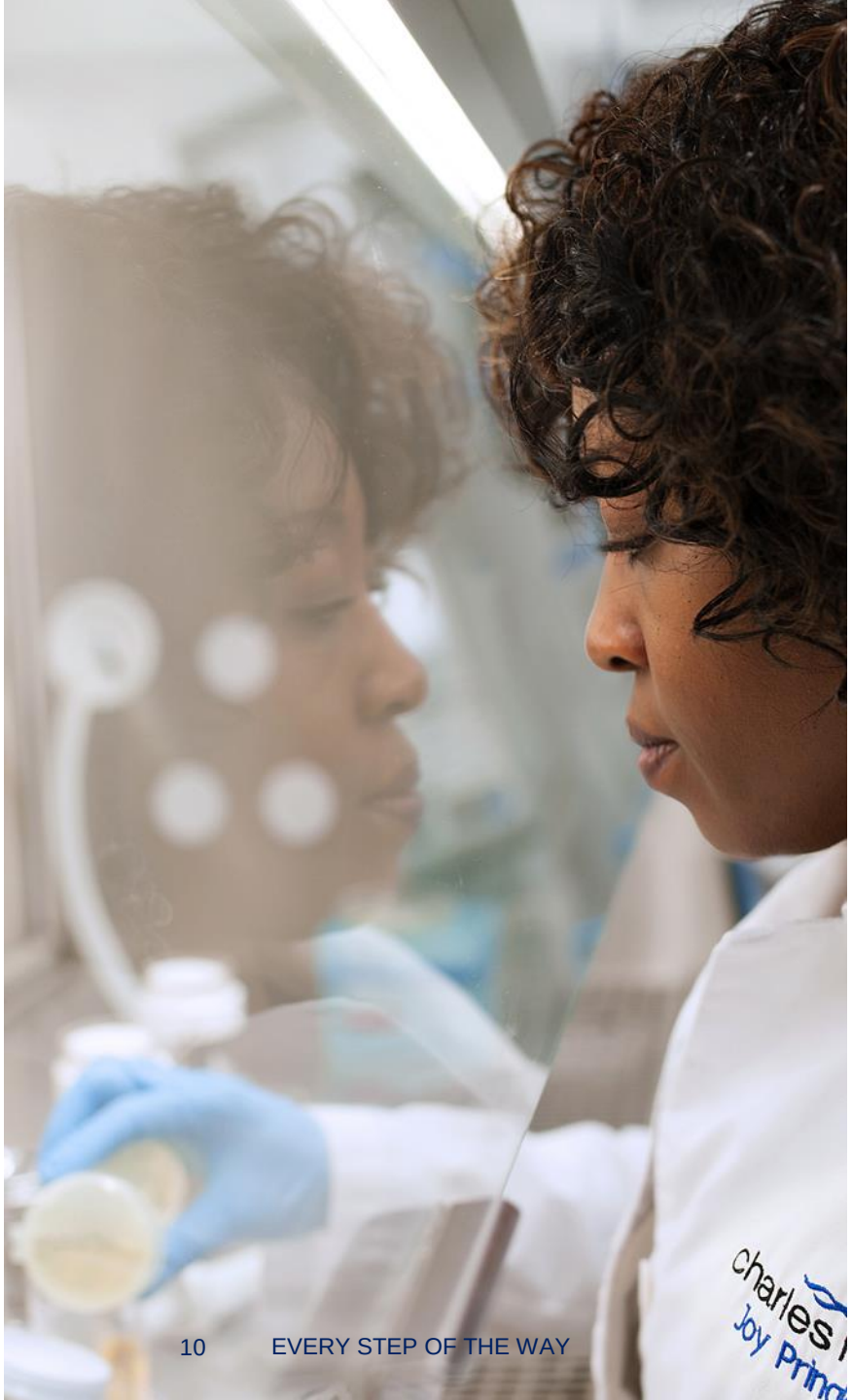
Biologics Testing Solutions

- Premier global CRO providing services that support the manufacture of **biologics and biosimilars**, including process development and quality control
- Supports developers and manufacturers with their testing, characterization, and cell bank manufacturing needs
  - Providing **testing and assay development** throughout drug development, clinical and commercial manufacturing, and for final commercial drug product release
- Leveraging our scientific expertise, regulatory compliance, and extensive portfolio to provide **fast, reliable results**



Early-Stage Market Trends

Global Biopharma

- Increasing use of **outsourcing** for efficiency, productivity, and speed to market
  - **Sourcing molecules** from biotech, academia, and early discovery CROs
  - **Utilizing CROs** for flexibility, efficiency, and productivity
- Selective consolidation and pipeline re-prioritization

Biotech

- Successfully **leveraging new technologies** to discover drugs with the potential to mitigate and/or cure diseases
- **Collaborating** with a wide range of partners
- Range from **limited in-house infrastructure to virtual**
- Benefiting from **robust funding** from global biopharma, capital markets, and VCs

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Early-Stage Market Trends, cont.

Academia

- **Academic institutions** globally are increasingly viewed as **discovery engines** by large biopharma
  - **Accessing more funding** from multiple sources including large biopharma
  - Require support to navigate the drug discovery and development process

Non-Governmental Organizations (NGOs)

- **NGOs** are virtual organizations, relying on partners for most research services
- Well funded; private; therapeutic-area focused

CRL Business Drivers

Research Models and Services:
26% of Revenue (1)
27% of Non-GAAP Operating Income (1)

- Increased demand in **China** for models and services
- Lower demand for research models in mature markets outside of China
- **Price** and **mix**
- **RM Services** to support use of models in research
- Use of **technology** to drive **efficiency**

(1) Based on CRL's FY 2017 results. See ir.criver.com for reconciliations of Non-GAAP to GAAP results.

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CRL Business Drivers, cont.

Discovery and Safety Assessment:
53% of Revenue (1)
45% of Non-GAAP Operating Income (1)

- **Discovery**
  - Big Pharma use of outsourcing to enhance internal capabilities
  - Biotech use of outsourcing instead of building in-house capabilities
  - Emerging demand from large biopharma
- **Safety Assessment**
  - **Increased outsourcing** of safety assessment
    - Capacity remains **well utilized**
    - **Opening small amounts of capacity** to accommodate persistent demand
  - Importance of **global network** for clients working in multiple regions

(1) Based on CRL's FY 2017 results. See ir.criver.com for reconciliations of Non-GAAP to GAAP results.

CRL Business Drivers, cont.

Manufacturing Support:
21% of Revenue [(1)]
28% of Non-GAAP Operating Income [(1)]

- **Microbial Solutions**
  - Increased demand for **rapid microbial testing** and identification methods; accessing new markets in addition to core biopharmaceutical market
- **Biologics**
  - Increased number of **biologics/biosimilars** in development
  - Increased demand for outsourced services
- **Avian:** Stable demand for **SPF eggs**

(1) Based on CRL's FY 2017 results. See ir.criver.com for reconciliations of Non-GAAP to GAAP results.

1Q18 Year-over-Year Performance

From Continuing Operations ($ in Millions)	1Q18	1Q17	%Δ	Organic CC %Δ
RMS	$134.0	$127.2	5.3%	0.2%
DSA	$260.0	$227.8	14.2%	8.3%
Manufacturing	$100.0	$90.8	10.1%	6.3%
Revenue	$494.0	$445.8	10.8%	5.6%
GAAP OM%	13.7%	15.6%	(190) bps	
Non-GAAP OM%	16.8%	18.6%	(180) bps	
GAAP EPS	$1.08	$0.97	11.3%	
Non-GAAP EPS	$1.38	$1.29	7.0%	
Free Cash Flow	$32.3	$18.8 (1)	71.9%	

(1) Free cash flow has been adjusted to exclude the cash tax impact of the CDMO divestiture of $0.7M in 1Q17 period, which was recorded in cash flows from operating activities.

See ir.criver.com/Financial Information for reconciliations of Non-GAAP to GAAP results.

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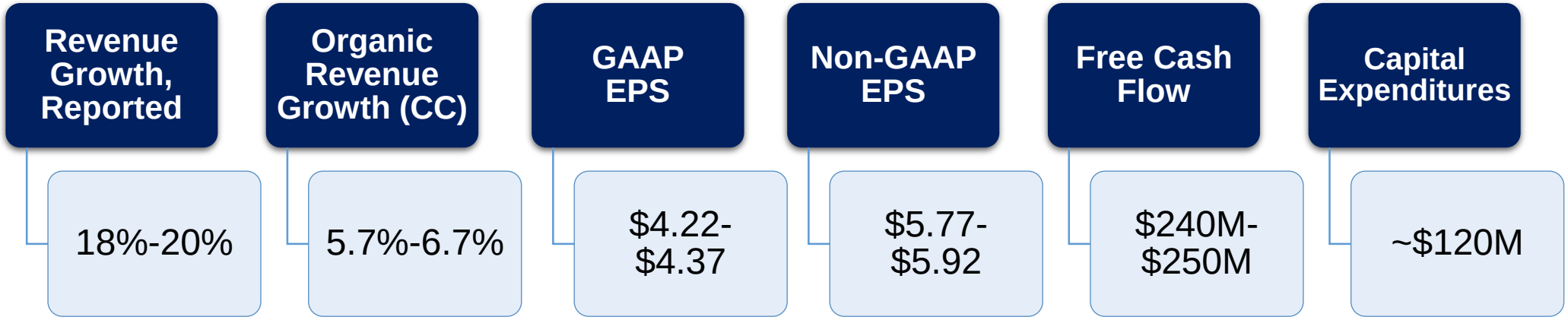
2018 Guidance Including MPI Research



- Based on client demand, remain enthusiastic about our outlook for 2018
- Updated 2018 financial guidance on May 10th:
  - Increased reported revenue growth guidance by 2% due to a more favorable foreign exchange benefit
  - Increased non-GAAP EPS guidance by $0.10 due primarily to lower-than-expected tax rate and incremental benefit from foreign exchange
- MPI acquisition was completed on April 3rd
  - Pleased that the integration has proceeded very smoothly over the first month
  - Fully expect to achieve the operational and financial goals that have been set for the integration
  - Client response has been exceptional

2018 non-GAAP EPS guidance represents a 16%-19% growth rate when adjusting for VC gains and the excess tax benefit

See ir.criver.com/Financial Information for reconciliations of Non-GAAP to GAAP results.

Five Guiding Principles

- **Scientific Expertise:** Experience with thousands of molecules across every therapeutic and disease area
- **Our People:** Strategic hiring and building broad bench strength
- **Client Service:** Strategic relationships where we work side-by-side with clients
- **Broad Portfolio:** Adding new products and services and acquiring assets to enhance our ability to support clients' drug research efforts
- **Building Shareholder Value:** Goal to increase earnings growth at a higher rate than revenue growth

Disciplined Capital Deployment

Acquisition	Strategic Rationale
WIL Research April 2016 / $577M	▪ Expanded global footprint in **safety assessment** and exposure to biotech
Blue Stream June 2016 / $12M	▪ Created a comprehensive portfolio of both bioanalytical and biosafety testing services to support **biologic and biosimilar development**
Agilux Laboratories September 2016 / $60M	▪ Established a more comprehensive suite of **integrated bioanalytical, DMPK, and pharmacology services**
Brains On-Line August 2017 / $20M	▪ Established CRL as the premier single-source provider for a broad portfolio of **discovery CNS services**
KWS BioTest January 2018 / $20M	▪ Established CRL as a premier source for **immuno-oncology discovery services**
MPI Research April 2018 / $800M	▪ Enhanced position as the **premier global early-stage CRO** and provides **needed capacity** to meet current and future demand

- Strategic acquisitions remain **preferred, long-term use of capital**
  - Managing acquisition and integration process to **achieve expected returns**
  - Pro forma leverage ratio at **3.3x** after the completion of the MPI acquisition
    - Goal to drive leverage ratio below 3x
- Focusing on **revenue, earnings, and cash flow growth**

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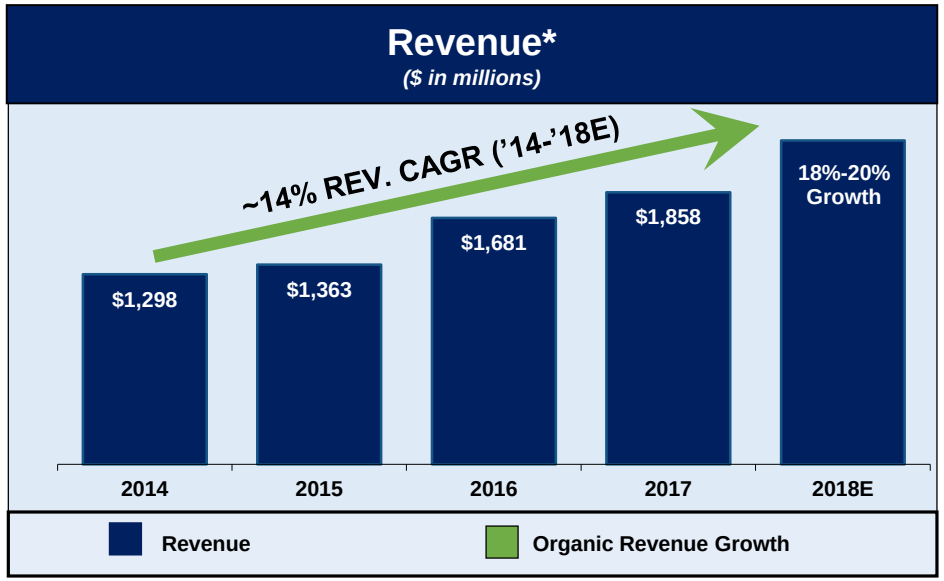
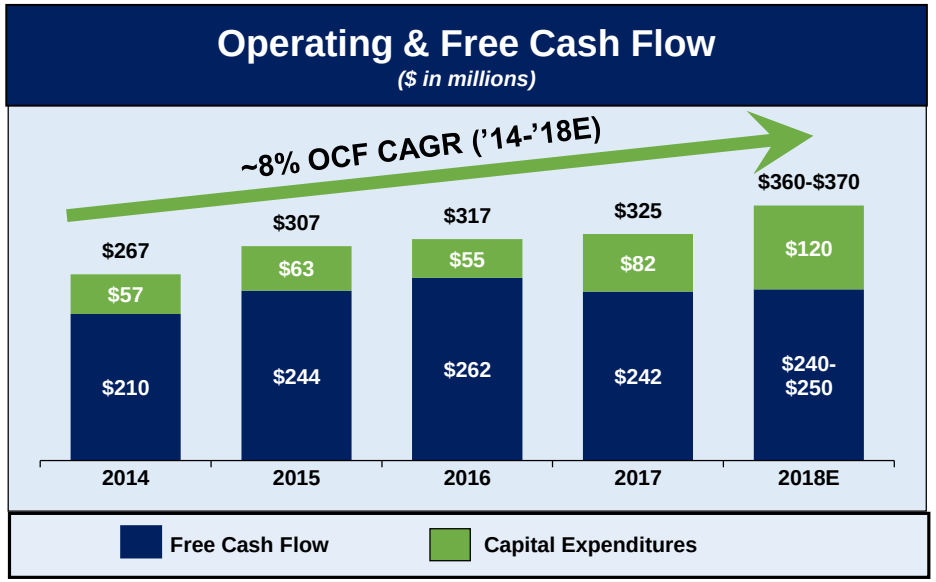
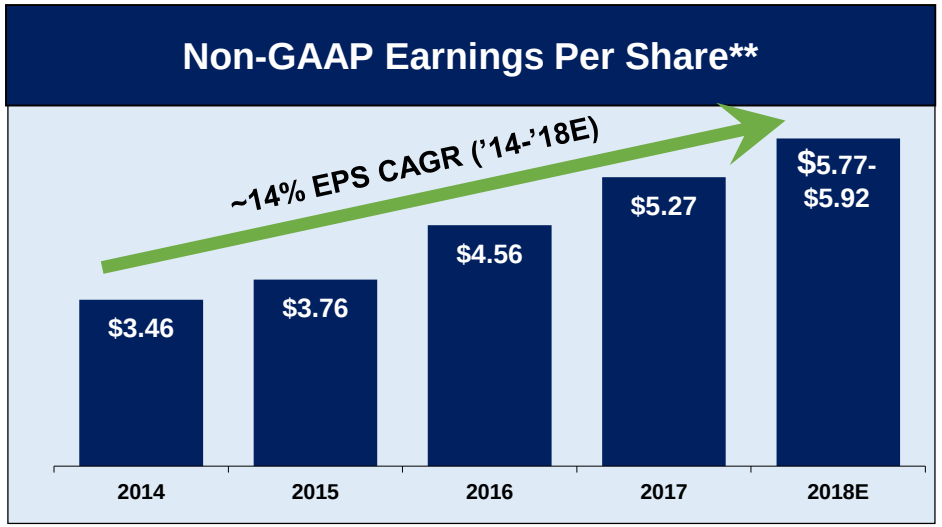
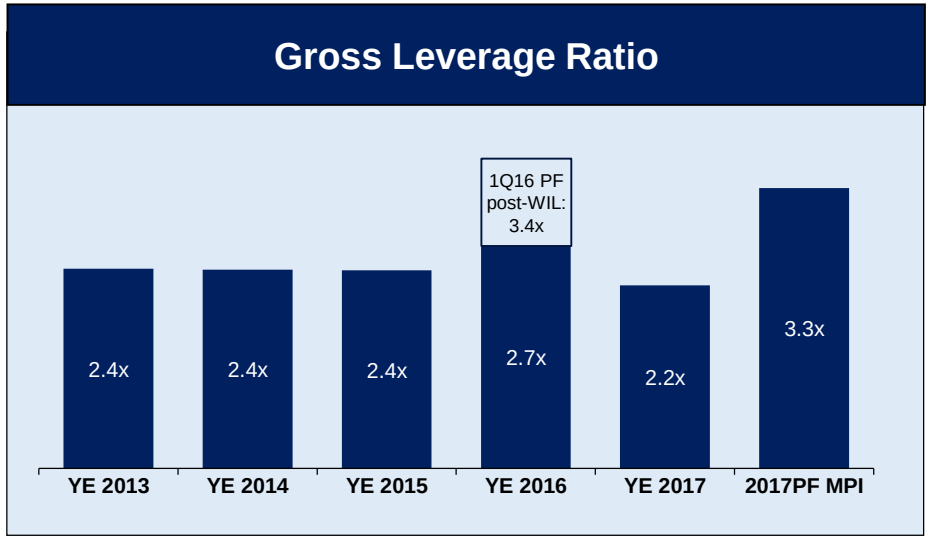
Building Shareholder Value









See ir.criver.com/Financial Information for reconciliations of Non-GAAP to GAAP results.

** Reported Revenue Growth (GAAP): 2014: 11.3%; 2015: 5.1%; 2016: 23.3%; 2017: 10.5%; 2018E: 18%-20%*

*** GAAP EPS: 2014: $2.70; 2015: $3.15; 2016: $3.22; 2017: $2.54; 2018E: $4.47-$4.62*

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Strategic Imperatives

Enhance our position as the leading full service, early-stage CRO with integrated drug discovery and early development capabilities

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Appendix: Regulation G Financial Reconciliations

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1][2]

(in thousands, except percentages)

	Three Months Ended	
	March 31, 2018	**April 1, 2017**
Research Models and Services		
Revenue	$ 133,958	$ 127,161
Operating income	38,527	37,690
Operating income as a % of revenue	28.8 %	29.6 %
Add back:		
Amortization related to acquisitions	409	436
Severance	523	—
Government billing adjustment and related expenses	—	93
Site consolidation costs, impairments and other items	515	—
Total non-GAAP adjustments to operating income	$ 1,447	$ 529
Operating income, excluding non-GAAP adjustments	$ 39,974	$ 38,219
Non-GAAP operating income as a % of revenue	29.8 %	30.1 %
Depreciation and amortization	$ 4,853	$ 5,092
Capital expenditures	$ 4,625	$ 2,603
Discovery and Safety Assessment		
Revenue	$ 259,992	$ 227,758
Operating income	40,859	38,335
Operating income as a % of revenue	15.7 %	16.8 %
Add back:		
Amortization related to acquisitions	7,541	7,600
Severance	(254)	196
Acquisition related adjustments [3]	430	703
Site consolidation costs, impairments and other items	(143)	409
Total non-GAAP adjustments to operating income	$ 7,574	$ 8,908
Operating income, excluding non-GAAP adjustments	$ 48,433	$ 47,243
Non-GAAP operating income as a % of revenue	18.6 %	20.7 %
Depreciation and amortization	$ 20,787	$ 19,369
Capital expenditures	$ 12,802	$ 8,323
Manufacturing Support		
Revenue	$ 100,020	$ 90,844
Operating income	28,523	26,600
Operating income as a % of revenue	28.5 %	29.3 %
Add back:		
Amortization related to acquisitions	2,318	2,702
Severance	870	821
Acquisition related adjustments [3]	—	26
Site consolidation costs, impairments and other items	159	—
Total non-GAAP adjustments to operating income	$ 3,347	$ 3,549
Operating income, excluding non-GAAP adjustments	$ 31,870	$ 30,149
Non-GAAP operating income as a % of revenue	31.9 %	33.2 %
Depreciation and amortization	$ 5,736	$ 5,962
Capital expenditures	$ 6,834	$ 2,292

CONTINUED ON NEXT SLIDE

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1][2]

(in thousands, except percentages)

CONTINUED FROM PREVIOUS SLIDE

	Three Months Ended	
	March 31, 2018	**April 1, 2017**
Unallocated Corporate Overhead	$ (40,080)	$ (32,919)
Add back:		
Acquisition related adjustments [3]	2,864	21
Total non-GAAP adjustments to operating expense	$ 2,864	$ 21
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (37,216)	$ (32,898)
Total		
Revenue	$ 493,970	$ 445,763
Operating income	$ 67,829	$ 69,706
Operating income as a % of revenue	13.7 %	15.6 %
Add back:		
Amortization related to acquisitions	10,268	10,738
Severance	1,139	1,017
Acquisition related adjustments [3]	3,294	750
Government billing adjustment and related expenses	—	93
Site consolidation costs, impairments and other items	531	409
Total non-GAAP adjustments to operating income	$ 15,232	$ 13,007
Operating income, excluding non-GAAP adjustments	$ 83,061	$ 82,713
Non-GAAP operating income as a % of revenue	16.8 %	18.6 %
Depreciation and amortization	$ 33,210	$ 32,411
Capital expenditures	$ 27,726	$ 15,920

(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) Effective in the first quarter of 2018, the Company adopted new accounting standard ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." Prior-year income statement amounts were recast to reflect the retrospective adoption of the new pension accounting standard.

(3) 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 EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)[1]

(in thousands, except per share data)

	Three Months Ended	
	March 31, 2018	April 1, 2017
Net income attributable to common shareholders	$ 52,631	$ 46,778
Less: Loss from discontinued operations, net of income taxes	(23)	(4)
Net income from continuing operations attributable to common shareholders	52,654	46,782
Add back:		
Non-GAAP adjustments to operating income	15,232	13,007
Write-off of deferred financing costs and fees related to debt refinancing	3,261	—
Gain on divestiture of CDMO business	—	(10,577)
Tax effect of non-GAAP adjustments:		
Tax effect from divestiture of CDMO business	—	18,005
Tax effect of the remaining non-GAAP adjustments	(3,651)	(4,664)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 67,496	$ 62,553
Weighted average shares outstanding - Basic	47,785	47,546
Effect of dilutive securities:		
Stock options, restricted stock units, performance share units and restricted stock	1,043	875
Weighted average shares outstanding - Diluted	48,828	48,421
Earnings per share from continuing operations attributable to common shareholders		
Basic	$ 1.10	$ 0.98
Diluted	$ 1.08	$ 0.97
Basic, excluding non-GAAP adjustments	$ 1.41	$ 1.32
Diluted, excluding non-GAAP adjustments	$ 1.38	$ 1.29

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP REVENUE GROWTH

TO NON-GAAP REVENUE GROWTH, ORGANIC (UNAUDITED) [1]

For the three months ended March 31, 2018	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	10.8 %	5.3 %	14.2 %	10.1 %
Increase due to foreign exchange	(4.6)%	(5.1)%	(4.0)%	(5.9)%
Contribution from acquisitions [2]	(1.0)%	—%	(1.9)%	—%
Impact of CDMO divestiture [3]	0.4 %	—%	—%	2.1 %
Non-GAAP revenue growth, organic [4]	**5.6 %**	**0.2 %**	**8.3 %**	**6.3 %**

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

(3) The CDMO business, which was acquired as part of WIL Research on April 4, 2016, was divested on February 10, 2017. This adjustment represents the revenue from the CDMO business.

(4) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, the divestiture of the CDMO business, and foreign exchange.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 29, 2018E

2018 GUIDANCE INCLUDING MPI RESEARCH (from continuing operations)	**REVISED**	**PRIOR**
Revenue growth, reported	18% - 20%	16% - 18%
Less: Contribution from acquisitions (1)	(9.5% - 10.5%)	(9.5% - 10.5%)
Less: Favorable impact of foreign exchange	(~3%)	(~1%)
Revenue growth, organic (2)	5.7% - 6.7%	5.7% - 6.7%
GAAP EPS estimate	$4.22-$4.37	---
Amortization of intangible assets (3)	$1.00-$1.10	---
Charges related to global efficiency initiatives (4)	$0.09	---
Acquisition-related adjustments (5)	$0.41	---
Non-GAAP EPS estimate	$5.77 - $5.92	$5.67 - $5.82

Footnotes to Guidance Table:

(1) The contribution from acquisitions reflects only those acquisition which have been completed.

(2) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, the divestiture of the CDMO business, and foreign currency translation. Divestiture of the CDMO business did not have a material impact on the revenue growth rate in 2018.

(3) Amortization of intangible assets includes an estimate of $1.00-$1.10 for the impact of the MPI Research acquisition because the preliminary purchase price allocation has not been completed.

(4) These charges relate primarily to the Company's planned efficiency initiatives including the closure of the Maryland research model production site. These charges primarily include accelerated lease obligations and severance. Other projects in support of global productivity and efficiency initiatives are expected, but these charges reflect only the decisions that have already been finalized.

(5) These adjustments are related to the evaluation and integration of acquisitions, and primarily include transaction, advisory, and certain third-party integration costs, as well as certain costs associated with acquisition-related efficiency initiatives, and the write-off of deferred financing costs and fees related to debt financing.

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

	Three Months Ended		Fiscal Year Ended
	March 31, 2018	April 1, 2017	December 29, 2018E including MPI
Net cash provided by operating activities	$ 60,051	$ 34,029	$360,000-$370,000
Addback: Tax impact of CDMO divestiture (2)	--	700	--
Less: Capital expenditures	(27,726)	(15,920)	(~120,000)
Free cash flow	$ 32,325	$ 18,809	$240,000-$250,000

(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) Free cash flow has been adjusted to exclude the cash tax impact related to the divestiture of the CDMO business, which is recorded in Cash Flows relating to Operating Activities, because divestitures are outside of our normal operations, the corresponding cash proceeds from the divestiture are reflected in Cash Flows relating to Investing Activities, and the impact of the CDMO divestiture is large, which can adversely affect the comparability of our results on a period-to-period basis.

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

	Twelve Months Ended				
	December 30, 2017	December 31, 2016 (3)	December 26, 2015 (3)	December 27, 2014 (3)	December 28, 2013 (3)
Net cash provided by operating activities	$ 318,074	$ 316,899	$ 306,833	$ 266,801	$ 212,008
Add back: Tax impact of CDMO divestiture (2)	6,500	-	-	-	-
Less: Capital expenditures	(82,431)	(55,288)	(63,252)	(56,925)	(39,154)
Free cash flow	$ 242,143	$ 261,611	$ 243,581	$ 209,876	$ 172,854

(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) Free cash flow has been adjusted to exclude the cash tax impact related to the divestiture of the CDMO business, which is recorded in Cash Flows relating to Operating Activities, because divestitures are outside of our normal operations, the corresponding cash proceeds from the divestiture are reflected in Cash Flows relating to Investing Activities, and the impact of the CDMO divestiture is large, which can adversely affect the comparability of our results on a period-to-period basis.

(3) Prior-year cash flow amounts have been recast to reflect the retrospective adoption of new accounting standards in 1Q17 (ASU 2016-09, ASU 2016-15, ASU 2016-18).

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

	Twelve Months Ended				
	December 30, 2017	**December 31, 2016**	**December 26, 2015**	**December 27, 2014**	**December 28, 2013**
Net income attributable to common shareholders	$ 123,355	$ 154,765	$ 149,313	$ 126,698	$ 102,828
Less: Income (loss) from discontinued operations, net of income taxes	(137)	280	(950)	1,726	1,265
Net income from continuing operations attributable to common shareholders	123,492	154,485	150,263	128,424	104,093
Add back:					
Amortization related to acquisitions	41,370	42,746	29,374	25,957	17,806
Severance and executive transition costs	3,278	8,472	6,173	7,792	3,218
Operating losses (2)	—	—	5,517	2,600	3,371
Acquisition-related adjustments (3)	6,687	22,702	14,513	6,688	1,752
Government billing adjustment and related expenses	150	634	477	848	2,402
Site consolidation costs, impairments and other items	18,645	11,849	2,240	7,136	21,381
Gain on divestiture of CDMO business	(10,577)	—	—	—	—
Write-off of deferred financing costs and fees related to debt financing	—	987	721	—	645
Reversal of an indemnification asset associated with acquisition and corresponding interest (4)	—	54	10,411	—	—
Gain on bargain purchase (5)	(277)	15	(9,837)	—	—
Debt forgiveness associated with a prior acquisition (6)	(1,863)	—	—	—	—
Convertible debt accounting (7)	—	—	—	—	6,710
Tax effect of non-GAAP adjustments:					
Tax effect from U.S. Tax Reform (8)	78,537	—	—	—	—
Tax effect from divestiture of CDMO business	17,705	—	—	—	—
Reversal of uncertain tax position associated with acquisition and corresponding interest (4)	—	—	(10,411)	—	—
Tax effect of the remaining non-GAAP adjustments	(21,184)	(23,025)	(20,106)	(14,987)	(19,126)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 255,963	$ 218,919	$ 179,335	$ 164,458	$ 142,252
Weighted average shares outstanding - Basic	47,481	47,014	46,496	46,627	47,740
Effect of dilutive securities:					
Stock options, restricted stock units, performance stock units, and contingently issued restricted stock	1,083	944	1,138	931	749
Weighted average shares outstanding - Diluted	48,564	47,958	47,634	47,558	48,489
Earnings per share from continuing operations attributable to common shareholders					
Basic	$ 2.60	$ 3.28	$ 3.23	$ 2.76	$ 2.18
Diluted	$ 2.54	$ 3.22	$ 3.15	$ 2.70	$ 2.15
Basic, excluding non-GAAP adjustments	$ 5.39	$ 4.66	$ 3.86	$ 3.53	$ 2.98
Diluted, excluding non-GAAP adjustments	$ 5.27	$ 4.56	$ 3.76	$ 3.46	$ 2.93

CONTINUED ON NEXT SLIDE

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

CONTINUED FROM PREVIOUS SLIDE

(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) This item includes operating losses related primarily to the Company's DSA facility in Massachusetts.

(3) 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. In fiscal year 2016, the amount also includes a $1.5 million charge recorded in connection with the modification of the option to purchase the remaining 13% equity interest in Vital River, partially offset by a $0.7 million gain on remeasurement of previously held equity interest in an entity acquired in a step acquisition.

(4) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset primarily related to the acquisition of BioFocus.

(5) These amounts relate to the acquisition of Sunrise Farms, Inc. and represents the excess of the estimated fair value of the net assets acquired over the purchase price.

(6) The amount represents the forgiveness of a liability related to the acquisition of Vital River.

(7) The amount in fiscal year 2013 includes the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by $6.6 million and depreciation expense by $0.1 million.

(8) The amount for fiscal year 2017 includes a $78.5 million estimate for the impact of the enactment of U.S. Tax Reform legislation. The estimated impact of U.S. Tax Reform consists of the one-time transition tax on unrepatriated earnings (also known as the toll tax), withholding and state taxes related to the Company's withdrawal of its indefinite reinvestment assertion regarding unremitted earnings, and the revaluation of U.S. federal net deferred tax liabilities. The final impact of U.S. Tax Reform may differ from these estimates, due to, among other things, changes in interpretations, analysis, and assumptions made by the Company, additional guidance that may be issued by regulatory agencies, and any updated or changes to estimates the Company utilized to calculate the transition tax impact.

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)

	Pro forma for MPI Close December 30, 2017	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
DEBT (2):							
Total Debt & Capital Leases	$ 1,975,104	$ 1,145,104	$ 1,235,009	$ 863,031	$ 777,863	$ 663,789	$ 666,520
Plus: Other adjustments per credit agreement	$ 298	$ 298	$ 3,621	$ 1,370	$ 2,828	$ 9,787	$ 9,680
Total Indebtedness per credit agreement	$ 1,975,402	$ 1,145,402	$ 1,238,630	$ 864,401	$ 780,691	$ 673,576	$ 676,200
Less: Cash and cash equivalents	(189,123)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)	(109,685)
Net Debt	$ 1,786,279	$ 981,608	$ 1,121,004	$ 746,454	$ 620,668	$ 517,649	$ 566,515

	Twelve Months Ended						
	December 30, 2017	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
ADJUSTED EBITDA (2):							
Net income attributable to common shareholders	$ 123,355	$ 123,355	$ 154,765	$ 149,313	$ 126,698	$ 102,828	$ 97,295
Adjustments:							
Less: Aggregate non-cash amount of nonrecurring gains	—	—	(685)	(9,878)	(2,048)	—	—
Plus: Interest expense	29,777	29,777	27,709	15,072	11,950	20,969	33,342
Plus: Provision for income taxes	171,369	171,369	66,835	43,391	46,685	32,142	24,894
Plus: Depreciation and amortization	131,159	131,159	126,658	94,881	96,445	96,636	81,275
Plus: Non-cash nonrecurring losses	17,716	17,716	6,792	10,427	1,615	4,202	12,283
Plus: Non-cash stock-based compensation	44,003	44,003	43,642	40,122	31,035	24,542	21,855
Plus: Permitted acquisition-related costs	6,687	6,687	22,653	13,451	6,285	1,752	3,676
MPI)	690	690	18,573	9,199	10,787	—	253
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 524,756	$ 524,756	$ 466,942	$ 365,978	$ 329,452	$ 283,071	$ 274,873
Adjusted EBITDA related to MPI (3)	66,329						
Pro forma transaction Adjusted EBITDA (3)	$ 591,085						

	Pro forma Leverage Ratio for MPI Close	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
LEVERAGE RATIO:							
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	3.3x	2.2x	2.7x	2.4x	2.4x	2.4x	2.5x
Net leverage ratio (net debt divided by adjusted EBITDA)	3.0x	1.9x	2.4x	2.0x	1.9x	1.8x	2.1x

(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) Pursuant to the definition in its credit agreement dated March 26. 2018, the Company has defined its pro forma leverage ratio as total debt divided by adjusted EBITDA for the trailing-twelve-month period following the close of, and pro forma for, the acquisition of MPI. 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, 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.

(3) For fiscal year 2017, MPI Research is expected to have generated adjusted EBITDA between $58 million and $68 million. For purposes of this reconciliation, the Adjusted EBITDA related to MPI assumes the midpoint of this range. We have provided ranges, rather than specific amounts, for the preliminary adjusted EBITDA as MPI Research's final results remain subject to the completion of its closing procedures, final adjustments, developments that may arise between now and the time the financial results are finalized. Accordingly, you should not place undue reliance on this preliminary data, which may differ materially from final results.

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