1Q 2018 Results

May 10, 2018

Charles River Laboratories

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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.

Opening Remarks

- 2018 began with robust demand for our products and services
- DSA and RMS organic growth rates improved sequentially
- Clients increasingly choose CRL for our science, our support, and the breadth and depth of our portfolio
- Continuing to expand the portfolio to strengthen our ability to support our clients' drug discovery, early development, and manufacturing efforts, and to enhance our position as the premier early-stage CRO
- Acquisition of MPI Research (completed April 3rd) has enhanced our scale, our capabilities, and our value proposition for clients

1Q18 Revenue

From Continuing Operations ($ in millions)	1Q18	1Q17	YOY Δ
Net revenue, reported	$494.0	$445.8	10.8%
(Increase) Decrease due to FX			(4.6)%
Contribution from acquisitions			(1.0)%
Impact of CDMO divestiture			0.4%
Net revenue, organic			5.6%

- DSA segment was the most significant driver of growth
- Manufacturing segment also reported growth
- Biotech clients were the primary contributor to 1Q18 revenue growth
  - Continued to benefit from a robust funding environment

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

1Q18 Operating Margin

From Continuing Operations	1Q18	1Q17	YOY Δ
GAAP OM%	13.7%	15.6%	(190) bps
Non-GAAP OM%	16.8%	18.6%	(180) bps

- Decline was driven primarily by the DSA and Manufacturing segments
- Attribute the 1Q18 margin decline largely to timing, and believe it will improve sequentially in 2Q18

1Q18 EPS

From Continuing Operations	1Q18	1Q17	YOY Δ
GAAP EPS	$1.08	$0.97	11.3%
Non-GAAP EPS	$1.38	$1.29	7.0%

- 1Q18 YOY EPS growth driven primarily by a lower tax rate and venture capital (VC) investment gains
  - Tax and VC gains also drove by outperformance vs. our initial outlook
- VC gains were $0.10 in 1Q18, compared to $0.05 in 1Q17

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

2018 Guidance Including MPI

(from Continuing Operations)

From Continuing Operations	
Revenue growth, reported	18%-20%
Contribution from acquisitions	(9.5%-10.5%)
(Increase) Decrease due to FX	(~3%)
Revenue growth, organic	5.7%-6.7%
GAAP EPS	\$4.22-\$4.37
Amortization of intangible assets	\$1.00-\$1.10
Charges related to global efficiency initiatives	\$0.09
Acquisition/divestiture-related adjustments	\$0.41
Non-GAAP EPS	\$5.77-\$5.92

- Based on client demand, remain enthusiastic about our outlook for 2018
- Reported revenue growth rate increased due to a more favorable foreign exchange benefit
- Non-GAAP EPS increased due to primarily to the lower-than-expected tax rate

See website for reconciliations of Non-GAAP to GAAP results.

RMS Results – Revenue

($ in millions)	1Q18	1Q17	YOY Δ
Revenue, reported	$134.0	$127.2	5.3%
(Increase) Decrease due to FX			(5.1)%
Revenue, organic			0.2%

- Same factors that contributed to RMS growth were the primary factors in 1Q18
  - Growth in research models business in China
  - Growth in GEMS and Insourcing Solutions (IS)
- Revenue growth was offset by softer demand for research models in mature markets outside of China, particularly from global biopharma clients

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

RMS Results – Revenue, cont.

- RMS results continue to be influenced by the ongoing evolution of the biopharma industry
- As Big Pharma seeks to drive greater efficiency, clients are reducing internal infrastructures and externalizing research to CROs like CRL, and by partnering with biotech companies and academic institutions
- Externalization of research is leading to increased demand from the biotech sector, as well as new opportunities to support our clients' broader needs
- Biotech's cutting-edge innovation has helped to propel the complexity of drug research
- Researchers are using specialty models (inbreds for genetic modification and immunodeficients for oncology research) and innovative technologies (like CRISPR) as critical tools to more narrowly target the causes of disease and successfully discover new drug candidates
- Intensification of our clients' outsourcing efforts is also the reason that the DSA segment is now the largest client of the RM business, and by a wide margin
- As a reminder, sales to MPI are now intercompany transactions, and will no longer be reported as revenue in RMS

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RMS Results – Revenue, cont.

- We see evidence of the outsourcing trend benefiting the Research Model Services business
- GEMS continues to benefit from our clients' use of CRISPR and other technologies to create genetically modified models faster and more cost effectively
  - Clients come to CRL because we have the expertise to help them derive and maintain their proprietary model colonies
- IS revenue continues to increase as clients look to adopt flexible solutions for their vivarium management and research needs
- Believe that our clients understand the value of utilizing our efficient staffing solutions
- If demand continues to increase, we expect the IS business could be a greater contributor to RMS growth over the longer term

RMS Results – Revenue, cont.

- RMS China revenue growth accelerated in 1Q18, as anticipated
- New production facility in Shanghai began shipments in 1Q18
  - Provides additional capacity needed to support robust demand
  - Enables us to gain share in the Shanghai market
- RMS China represents <10% of total RMS revenue
  - Growing at double-digits rates since we acquired majority ownership of the business in 2013
- RMS China remains one of our leading, long-term growth opportunities
- We intend to continue to invest in China

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RMS Results – Operating Margin

($ in millions)	1Q18	1Q17	YOY Δ
RMS GAAP OM%	28.8%	29.6%	(80) bps
RMS Non-GAAP OM%	29.8%	30.1%	(30) bps

- Efficiency initiatives enabled us to generate an RMS non-GAAP operating margin only 30 bps below 1Q17
- Pleased that the margin was relatively stable, particularly compared to the strong RMS performance in 1Q17
- Believe that focus on optimizing our infrastructure will help us improve the operating margin over the longer term, and maintain it in the high-20% range
- Also continue to work on additional initiatives to enhance the client experience, including the speed and ease with which they interact with us

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

Manufacturing Results – Revenue

($ in millions)	1Q18	1Q17	YOY Δ
Net revenue, reported	$100.0	$90.8	10.1%
(Increase) Decrease due to FX			(5.9)%
Impact of CDMO divestiture			2.1%
Net revenue, organic			6.3%

- Revenue growth driven primarily by Microbial Solutions
- Avian Vaccine Services also had a good 1Q18

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

Mfg. Results – Microbial Solutions

- Microbial Solutions' 1Q18 growth rate was moderately below our low-double-digit expectation, primarily because we shipped additional products in Europe in 4Q17 ahead of transition to a new distribution facility
  - As part of our ongoing efficiency initiatives, we consolidated our Microbial Solutions distribution operations in Europe
- Very pleased with the performance of Microbial Solutions, which continues to benefit from the strength of our unique portfolio of rapid endotoxin and bioburden testing systems, and microbial identification services
- Our advantage as the only provider who can offer a comprehensive solution for rapid QC testing continues to resonate with clients
- There is an abundance of new opportunities to convert clients to our efficient testing platform, and discussion are taking place every day

Manufacturing Results – Biologics

- Biologics reported significantly slower growth in 1Q18
- Resulted primarily from lower sample volume than anticipated
  - Can occur in Q1 after the holiday period
- Number of biologic and biosimilar drugs in development, as well as efforts we made to position the Biologics business, has led to a rapid increase in demand for our services, driving the need for new capacity
- In order to support our expectation for continued robust demand, in February, we announced plans to open a new, 73K-ft^2 facility near our existing Pennsylvania site
- Intend to transition certain laboratory operations to the new site at a measured pace, starting at the end of this year and continuing through most of 2019
- Expectation that Biologics growth rate will improve in 2Q18 is supported by increased bookings and proposal volumes
- Expect Biologics to continue to be a meaningful contributor to our outlook of >10% growth for the Manufacturing segment in 2018

Manufacturing – Operating Margin

	1Q18	1Q17	YOY Δ
Manufacturing GAAP OM%	28.5%	29.3%	(80) bps
Manufacturing Non-GAAP OM%	31.9%	33.2%	(130) bps

- Operating margin decline was related primarily to the lower sales volume in Biologics, as well as higher costs associated with Biologics' capacity expansion, and Microbial Solutions' transition to the new distribution site
- Expect that the Manufacturing operating margin will improve in 2Q18, and that we will meet our long-term target in the mid-30% range for 2018

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

DSA Results – Revenue

From Continuing Operations ($ in millions)	1Q18	1Q17	YOY Δ
Net revenue, reported	$260.0	$227.8	14.2%
(Increase) Decrease due to FX			(4.0)%
Contribution from acquisitions			(1.9)%
Net revenue, organic			8.3%

- Growth reflected broad-based demand for both Discovery and Safety Assessment services

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

DSA Results – Discovery

- Discovery business reported higher growth in 1Q18 and we are optimistic about its prospects for 2018
- *in vivo* Discovery performed very well, particularly oncology services
- Oncology is the largest and one of the fastest-growing areas of drug research, which is the reason we have continued to expand our expertise
- Enhanced our position as a premier oncology CRO with the KWS BioTest acquisition in January
  - Specializes in immuno-oncology services
- Initial stages of the KWS integration have proceeded well, and we are making progress to further harmonize our broader oncology portfolio
- Our unique ability to serve as a single-source partner to support discovery of our clients' novel cancer therapies is expected to drive continued demand for our oncology expertise

DSA Results – Early Discovery

- Early Discovery revenue increased in 1Q18
- Beginning to see the benefits of actions we have taken to improve performance of this business
- Expansion of our integrated client relationships is one of the benefits of harmonization of our discovery portfolio
- Many integrated programs begin with the target identification capabilities of our Early Discovery business, and encompass other Discovery sites as the program advances
- Currently, more than half of all integrated discovery projects span multiple CRL sites
- Furthermore, many programs are progressing into our Safety Assessment (SA) business
- Believe this is a firm indication that by combining our Discovery and SA businesses into a seamless operating unit, we will be able to better leverage the synergies between these businesses, and enhance the service we provide to clients

DSA Results – Safety Assessment (SA)

- SA revenue growth was driven by robust client demand, particularly from biotech clients, and sales to global biopharma clients also increased
- Capacity remained well utilized, and bookings and proposal activity remained strong in 1Q18, reinforcing our outlook for the year
- Study mix had a favorable impact on the revenue growth rate, but pressured the DSA margin in 1Q18
  - Mix of long-term and short-term studies fluctuates from quarter to quarter, underscoring the fact that our business is not linear
  - In 1Q18, mix was weighted towards long-term projects, which have significantly higher start-up costs
  - This is a timing issue, which doesn’t affect the overall profitability of individual studies
- As previously discussed, study mix can vary, but based on current backlog, we expect the study mix to return to more optimal levels in the coming quarters

DSA Results – Operating Margin

From Continuing Operations	1Q18	1Q17	YOY Δ
DSA GAAP OM%	15.7%	16.8%	(110) bps
DSA Non-GAAP OM%	18.6%	20.7%	(210) bps

- Two primary factors contributed to the DSA non-GAAP operating margin decline: FX and study mix
  - FX contributed approximately half of the decline, reducing the margin by ~100 bps
  - Study mix also contributed; but as the long-term studies progress and the mix normalizes, beginning in 2Q18, we expect the DSA operating margin will improve, and return to a level above 20%

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

Acquisition of MPI Research

- MPI expands our position as the partner of choice to support clients' early-stage research efforts
  - Strengthens our existing capabilities in general and specialty toxicology
  - Adds capabilities in ototoxicity and abuse liability
  - Expands our medical device testing capabilities
  - Adds needed capacity to accommodate the significant demand from biotech and pharma companies
- As noted when we announced the acquisition, we expect MPI will contribute \$170-\$190M to revenue and ~\$0.25 to non-GAAP EPS in 2018

Integration of MPI

- Last week marked Day 30 of the post-close integration
- Prior to the close, our teams had been working very hard to plan an efficient integration process
- Because of their exceptional efforts, proud to report that the integration has proceeded very smoothly over the first month
- Believe that we have established a sophisticated and disciplined integration process, leveraging dedicated staff, and improving upon and learning from prior acquisitions, especially WIL
- Fully expect to achieve the operational and financial goals that have been set for the integration
  - Including generation of $13M-$16M of operational synergies by the end of 2019
- Similar to our experience with WIL, MPI employees appreciate the benefits of being owned by a synergistic parent, especially with regard to collaboration between the scientific staffs
- Believe that collaboration will leverage talents of our larger scientific staff, enabling the combined entity to provide an enhanced level of service to our clients

Exceptional Client Response

- As soon as the acquisition was completed, discussions were held with many clients to review our broader capabilities and operational methodologies
- Believe our unique portfolio and extensive scientific expertise resonated with MPI's client base, a significant proportion of which are biotechs
- In addition, received a number of inquiries from legacy CRL clients, including global biopharma companies, expressing interest in working with the team at MPI
- We are encouraging client mobility, not just at MPI, but across our global SA network, because this will enhance our ability to accommodate client demand when our capacity is well utilized and study start times are elongating

Market Dynamics/Positioning

- We are operating in a robust business environment with excellent growth potential
- Biotech funding remains strong
  - Funding nearly tripled YOY in 1Q18, following the second-strongest year ever in 2017
- It is opportune that market dynamics are robust at a time when we believe we have built the premier, early-stage CRO
- We have focused on portfolio expansion, scientific expertise, operational excellence, and responsiveness
- Focus has enabled us to become the “go-to” partner for our clients and to capitalize on the opportunities in the marketplace

Creating Value for Clients

- Success of our strategy and the value we provide to clients was demonstrated by the fact that we were ranked as the best-positioned CRO to work with in three recent sell-side analyst surveys
- In addition to our value proposition, also believe that our focus on scientific expertise and providing extensive support for clients are the reasons that we worked on 80% of the drugs approved by the FDA last year
- Gratified to be recognized as a trusted scientific partner by our clients
- Fully intend to continue to enhance our value proposition, both through internal initiatives and strategic acquisitions

Recent Accomplishments

	Initial Outlook/Target	Actual Result
1Q18 Organic Revenue Growth	▪ Mid-single-digit growth vs. 1Q17	▪ 5.6% organic growth
1Q18 Non-GAAP EPS	▪ Moderately below vs. 1Q17 of $1.29	▪ Non-GAAP EPS of $1.38, a 7% increase vs. 1Q17 – Slightly exceeded our expectations even after adjusting for higher venture capital investment gains and a lower-than-expected tax rate
MPI Acquisition	▪ Close in early 2Q18	▪ Closed on April 3rd
Capital Structure	▪ Evaluating our financing options for the MPI acquisition – Planned expansion of our credit facility – Actively evaluating fixed-rate debt financing alternatives	▪ Refinanced credit facilities on March 26th ▪ Issued $500M of senior notes on April 3rd

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1Q18 Earnings Per Share

From Continuing Operations	1Q18	1Q17	YOY Δ
GAAP EPS	$1.08	$0.97	11.3%
Non-GAAP EPS	$1.38	$1.29	7.0%

- 1Q18 non-GAAP EPS outperformed our expectations, primarily driven by:
  - Higher venture capital investments gains
    - $0.10 in 1Q18, compared to $0.05 in 1Q17
  - Lower-than-expected tax rate
    - Due primarily to discrete tax benefits of 5.5 cents in 1Q18

See website for reconciliations of Non-GAAP to GAAP results.

Venture Capital (VC) Investment Gains

- Initial guidance for 2018 included an estimate of venture capital (VC) investment gains of $0.14
  - Higher than our original estimate in 2017 because we believe $0.14 more closely aligns with the historical performance
  - $0.10 gain in 1Q18 was 6.5 cents above our initial quarterly estimate
  - Have not increased our 2018 forecast beyond the $0.14 included in our original guidance
    - Will not forecast the performance of these funds beyond our annual expected return

Tax Rate

	1Q18	4Q17	1Q17
GAAP	15.5%	142.1%	39.8%
Non-GAAP	16.5%	29.8%	22.0%

- 1Q18 YOY non-GAAP tax rate decrease largely the result of:
  - Discrete tax benefits primarily related to a favorable state tax ruling
    - Reduced 1Q18 tax rate by 330 bps
  - Tax benefit resulting from operational efficiency initiatives
- Excess tax benefit associated with stock compensation was $0.09 (530 bps tax rate) in 1Q18
  - Slightly below our expectations and the $0.15 benefit (930 bps tax rate) recorded in 1Q17
- Expect 1Q18 tax rate to be the lowest quarterly level for 2018, primarily due to the excess tax benefit from stock compensation
  - In future years, stock compensation benefit, or potential loss, should have a greater Q1 impact due to the timing of equity award vesting

See website for reconciliations of Non-GAAP to GAAP results.

Tax Rate, cont.

- Now expect 2018 GAAP and non-GAAP tax rate will be in a range of 23.5%-25% including MPI
  - Favorable to our initial outlook of 25%-26%
- Lower tax rate outlook is driven by:
  - 1Q18 discrete tax benefits
    - Reduces 2018 tax rate by ~70 bps
  - Modest benefit from U.S. tax reform
- U.S. tax reform impact is now more favorable than the neutral effect that we originally expected, as a result of further guidance that has been issued by the tax authorities

2018 Guidance Including MPI

From Continuing Operations	REVISED	PRIOR
GAAP EPS	$4.22-$4.37	--
Non-GAAP EPS	$5.77-$5.92	$5.67-$5.82

- Favorable tax rate outlook is the primary reason for increased non-GAAP EPS guidance
  - Includes ~$0.25 of accretion from the MPI acquisition
    - Consistent with our original outlook
- Also expect a small, incremental EPS benefit from foreign exchange (FX)
- Intend to reinvest a portion of these upsides into the business
  - Expect more than $0.10 from the favorable tax rate and FX benefit

See website for reconciliations of Non-GAAP to GAAP results.

Foreign Exchange (FX) Impact

- Increased our 2018 reported revenue growth guidance by 200 bps to 18%-20%
  - Because of more favorable movements in FX rates
  - Also includes $170-$190M revenue contribution from MPI
- FX benefit now forecast at ~3% in 2018, compared to initial outlook of ~1% benefit
- FX benefit in 2018 creates a meaningful headwind to the DSA operating margin
  - Primarily because we are not naturally hedged in our Safety Assessment business in Canada and our Early Discovery business in the U.K.
- Although the top-line FX benefit reduces the DSA segment operating margin, still expect to record an EPS benefit from FX in 2018

2018 Segment Revenue Outlook Including MPI

From Continuing Operations	2018 Reported Revenue Growth	2018 Organic Revenue Growth(1)
RMS	Low- to mid-single digits	Low-single digits
DSA	~30%	Same range as 2017
Manufacturing	Low- to mid-teens	> 10%
Consolidated CRL	18%-20%	5.7%-6.7%

- Updated reported revenue growth outlook to reflect favorable FX rates and the completion of the MPI acquisition
- Organic revenue growth outlook remains unchanged

See website for reconciliations of Non-GAAP to GAAP results.

(1) 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 is not expected to have a material impact on the revenue growth rate in 2018.

Unallocated Corporate Overhead

($ in millions)0	1Q18	4Q17	1Q17
GAAP	$40.1	$33.4	$32.9
Non-GAAP	$37.2	$32.2	$32.9

- Unallocated corporate costs are tracking to our expectations for 2018
  - 7.5% of total revenue in 1Q18 on a non-GAAP basis, compared to 7.4% of total revenue in 1Q17
  - Q1 level is typically higher because of the normal quarterly gating of fringe-related costs
    - Fringe typically highest in Q1 and then normalizes for the remainder of the year
- Continue to expect non-GAAP unallocated corporate costs in 2018 to be slightly below 7% of revenue
  - MPI does not meaningfully add to corporate costs
- GAAP unallocated corporate costs expected to be ~7.5% of total revenue in FY18

See website for reconciliations of Non-GAAP to GAAP results.

Net Interest Expense

($ in millions)	1Q18	4Q17	1Q17
GAAP interest expense, net	$10.9	$7.5	$6.8
Non-GAAP interest expense, net	$7.6	$7.5	$6.8

- 2018 net interest expense is now expected to be in a range of $55.5-$58.5M (non-GAAP) and $60.5-$63.5M (GAAP)
  - Increase from $29-$31M to reflect borrowing for the MPI acquisition and our current capital structure

See website for reconciliations of Non-GAAP to GAAP results.

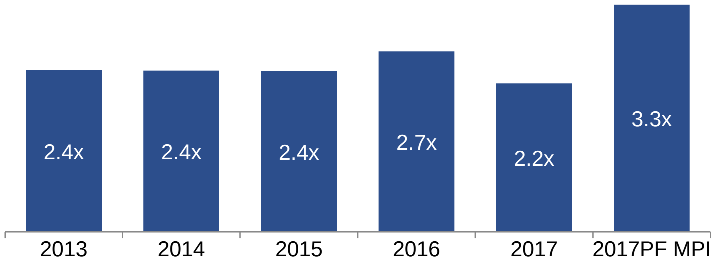
Capital Structure

- Refinanced our credit facilities on March 26th
  - Primarily to finance the MPI acquisition
  - New $1.55B revolving credit facility and $750M term loan, due 2023
    - Increased borrowing capacity by $650M under credit facilities
  - Did not change the pricing grid from the previous credit agreement
- Subsequently issued $500M of senior notes due 2026 at a 5.5% coupon rate
- Believe fixed-rate debt enhances our capital structure by:
  - Locking in the interest rate on a portion of our long-term debt
  - Extending the maturity date 3 years beyond the credit facilities
  - Providing additional capacity to support our acquisition strategy

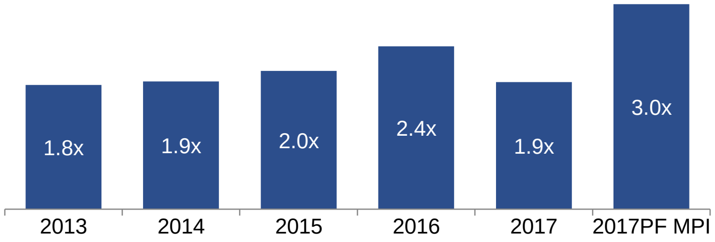
Capital Structure, cont.

- On a pro forma basis for the completion of the MPI acquisition, gross leverage ratio[(1)] was 3.3x and net leverage ratio[(1)] was 3.0x
- Capital priorities in 2018 remain focused on debt repayment
- Absent any acquisitions, goal will be to drive the gross leverage ratio below 3x

Gross Leverage Ratio[(1)]



Net Leverage Ratio[(1)]



(1) 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.

See website for reconciliations of Non-GAAP to GAAP results.

Cash Flow

($ in millions)	1Q18	1Q17	2018 Outlook incl. MPI
Free cash flow (FCF)	$32.3	$18.8 (1)	$240-$250
Capex	$27.7	$15.9	~$120
Depreciation	$22.9	$21.7	~$105
Amortization	$10.3	$10.7	$66-$71

- 1Q18 FCF increase primarily driven by higher client payments at the start of new studies, which is related to 1Q18 SA study mix
- YOY, 1Q18 capex increase primarily driven by capacity additions to support our growth initiatives
- Factoring in the MPI acquisition, FCF guidance for 2018 was reduced by $10M vs. our initial outlook excluding MPI
  - Operating cash flow from MPI's operations in 2018 will be largely offset by transaction and integration costs
  - Increasing 2018 capex guidance by ~$20M to reflect the capital requirements of MPI
- MPI expected to be accretive to FCF in 2019, when the transaction and integration costs significantly decrease

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

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

2018 Guidance Summary Including MPI

From Continuing Operations	GAAP	Non-GAAP
Revenue growth	18%-20% reported	5.7%-6.7% organic[(1)]
Unallocated corporate	~7.5% of revenue	Slightly below 7% of revenue
Net interest expense	$60.5M-$63.5M	$55.5M-$58.5M
Tax rate	23.5%-25%	23.5%-25%
EPS	$4.22-$4.37	$5.77-$5.92
Cash flow	Operating cash flow: $360M-$370M	Free cash flow: $240M-$250M
Capital expenditures	~$120M	~$120M

See website for reconciliations of Non-GAAP to GAAP results.

(1) 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 is not expected to have a material impact on the revenue growth rate in 2018.

2Q18 Outlook

	2Q18 Outlook
Reported revenue growth YOY	At least 20% growth vs. 2Q17
Organic revenue growth YOY	In line with 2018 organic guidance range
Non-GAAP EPS	Low- to mid-teens growth

- MPI acquisition contributes more than half of expected reported revenue increase in 2Q18
- 2Q18 organic revenue growth for each segment expected to be within their respective 2018 guidance ranges
- Other factors expected to affect 2Q18 results:
  - Sequential expansion of non-GAAP operating margin vs. 1Q18 in the Manufacturing and DSA segments
    - Expect DSA operating margin to improve above 20% level in 2Q18 as study mix begins to normalize
  - Partially offset by less favorability from below-the-line items including:
    - Sequential increase in interest expense due to the MPI acquisition
    - Substantially lower VC investment gains vs. 1Q18
    - Non-GAAP tax rate in the mid-20% range because we do not expect a meaningful benefit from stock compensation or discrete items for the remainder of the year

Concluding Remarks

- Pleased with our 1Q18 performance and the prospects for 2Q18 and 2018
- Strong demand environment for our unique early-stage offering remains encouraging
- Remain focused on executing our strategy and achieving our long-term financial and operational targets

1Q18 Regulation G Financial Reconciliations

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

(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.

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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 %**

(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) 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.

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 March 31, 2018	Three Months Ended April 1, 2017	Fiscal Year Ended 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 GAAP TAX RATE TO NON-GAAP TAX RATE (UNAUDITED) (1)
(in thousands)

	Three Months Ended	
	March 31, 2018	April 1, 2017
Income from continuing operations before income taxes & noncontrolling interest	$ 63,040	$ 78,047
Add back:		
Amortization of intangible assets and inventory step-up related to acquisitions	10,268	10,738
Severance and executive transition costs	1,139	1,017
Acquisition related adjustments (2)	3,294	750
Government billing adjustment and related expenses	-	93
Site consolidation costs, impairments and other items	531	409
Write-off of deferred financing costs and fees related to debt refinancing	3,261	
Gain on CDMO divestiture	-	(10,577)
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 81,533	$ 80,477
Provision for income taxes (GAAP)	$ 9,772	$ 31,084
Tax effect from CDMO divestiture	-	(18,005)
Tax effect of the remaining non-GAAP adjustments	3,651	4,664
Provision for income taxes (Non-GAAP)	$ 13,423	$ 17,743
Total rate (GAAP)	15.5%	39.8%
Total rate, excluding specified charges (Non-GAAP)	16.5%	22.0%

(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, and fair value adjustments associated with contingent consideration.

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

	Three Months Ended March 31, 2018	
GAAP Interest Expense, net	$	10,909
Exclude:		
Write-off of deferred financing costs and fees related to debt refinancing		(3,261)
Non-GAAP Interest Expense, net	$	7,648

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 GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.

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)

DEBT (2):	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
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					
ADJUSTED EBITDA (2):	December 30, 2017	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
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						

LEVERAGE RATIO:	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
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.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)(1)

(in thousands, except percentages)

		Three Months Ended December 30, 2017
Unallocated Corporate Overhead	$	(33,399)
Add back:		
Acquisition related adjustments (2)		1,189
Total non-GAAP adjustments to operating expense	$	1,189
Unallocated corporate overhead, excluding non-GAAP adjustments	$	(32,210)

(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, 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 December 30, 2017
Income from continuing operations before income taxes & noncontrolling interest	$ 69,053
Add back:	
Amortization related to acquisitions	10,457
Severance	1,302
Acquisition related adjustments (2)	1,819
Site consolidation costs, impairments and other items	17,810
Gain on Bargain Purchase (3)	(277)
Debt forgiveness associated with a prior acquisition (4)	(1,863)
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 98,301
Provision for income taxes (GAAP)	$ 98,097
Tax effect from U.S. Tax Reform (5)	$ (78,537)
Tax effect from CDMO divestiture	$ 300
Tax effect of the remaining non-GAAP adjustments	$ 9,482
Provision for income taxes (Non-GAAP)	$ 29,342
Total rate (GAAP)	142.1%
Total rate, excluding specified charges (Non-GAAP)	29.8%

(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, and fair value adjustments associated with contingent consideration.

(3) The amounts in the current year relate to an immaterial acquisition that represents the excess of the estimated fair value of the net assets acquired over the purchase price.

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

(5) The amounts for 4Q17 and FY 2017 include 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 impact.

Supplemental Schedules

Prior Periods Recast for New Pension Accounting Standard (ASU 2017-07)

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SUPPLEMENTAL SCHEDULE: PRIOR PERIODS RECAST FOR ASU 2017-07

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]

(in thousands, except percentages)

	Three Months Ended				Twelve Months Ended
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 30, 2017
Research Models and Services					
Revenue	$ 120,432	$ 122,020	$ 124,002	$ 127,161	$ 493,615
Operating income	12,639	30,665	33,594	37,690	114,588
Operating income as a % of revenue	10.5 %	25.1 %	27.1 %	29.6 %	23.2 %
Add back:					
Amortization related to acquisitions	438	433	369	436	1,676
Severance	429	—	—	—	429
Government billing adjustment and related expenses	—	—	57	93	150
Site consolidation costs, impairments and other items	17,716	—	—	—	17,716
Total non-GAAP adjustments to operating income	$ 18,583	$ 433	$ 426	$ 529	$ 19,971
Operating income, excluding non-GAAP adjustments	$ 31,222	$ 31,098	$ 34,020	$ 38,219	$ 134,559
Non-GAAP operating income as a % of revenue	25.9 %	25.5 %	27.4 %	30.1 %	27.3 %
Depreciation and amortization	$ 4,318	$ 5,272	$ 4,945	$ 5,092	$ 19,627
Capital expenditures	$ 7,110	$ 6,762	$ 4,404	$ 2,603	$ 20,879
Discovery and Safety Assessment					
Revenue	$ 253,226	$ 246,946	$ 252,092	$ 227,758	$ 980,022
Operating income	46,802	46,324	51,335	38,335	182,796
Operating income as a % of revenue	18.5 %	18.8 %	20.4 %	16.8 %	18.7 %
Add back:					
Amortization related to acquisitions	7,775	7,602	6,905	7,600	29,882
Severance	—	84	76	196	356
Acquisition related adjustments [2]	630	776	824	703	2,933
Site consolidation costs, impairments and other items	94	276	150	409	929
Total non-GAAP adjustments to operating income	$ 8,499	$ 8,738	$ 7,955	$ 8,908	$ 34,100
Operating income, excluding non-GAAP adjustments	$ 55,301	$ 55,062	$ 59,290	$ 47,243	$ 216,896
Non-GAAP operating income as a % of revenue	21.8 %	22.3 %	23.5 %	20.7 %	22.1 %
Depreciation and amortization	$ 20,688	$ 20,333	$ 18,965	$ 19,369	$ 79,355
Capital expenditures	$ 11,064	$ 10,127	$ 7,102	$ 8,323	$ 36,616
Manufacturing Support					
Revenue	$ 104,819	$ 95,266	$ 93,035	$ 90,844	$ 383,964
Operating income	36,335	31,920	29,043	26,600	123,898
Operating income as a % of revenue	34.7 %	33.5 %	31.2 %	29.3 %	32.3 %
Add back:					
Amortization related to acquisitions and inventory step-up related to acquisitions	2,244	2,322	2,544	2,702	9,812
Severance [3]	873	552	247	821	2,493
Acquisition related adjustments [2]	—	—	—	26	26
Site consolidation costs, impairments and other items	—	—	—	—	—
Total non-GAAP adjustments to operating income	$ 3,117	$ 2,874	$ 2,791	$ 3,549	$ 12,331
Operating income, excluding non-GAAP adjustments	$ 39,452	$ 34,794	$ 31,834	$ 30,149	$ 136,229
Non-GAAP operating income as a % of revenue	37.6 %	36.5 %	34.2 %	33.2 %	35.5 %
Depreciation and amortization	$ 5,572	$ 5,572	$ 5,787	$ 5,962	$ 22,893
Capital expenditures	$ 8,077	$ 2,879	$ 1,939	$ 2,292	$ 15,187

CONTINUED ON NEXT SLIDE

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SUPPLEMENTAL SCHEDULE: PRIOR PERIODS RECAST FOR ASU 2017-07

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]

(in thousands, except percentages)

CONTINUED FROM PREVIOUS SLIDE

	Three Months Ended				Twelve Months Ended
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 30, 2017
Unallocated Corporate Overhead	$ (32,948)	$ (34,846)	$ (32,287)	$ (32,919)	$ (133,000)
Add back:					
Acquisition related adjustments [2]	1,189	1,326	$ 1,192	$ 21	$ 3,728
Total non-GAAP adjustments to operating expense	$ 1,189	$ 1,326	$ 1,192	$ 21	$ 3,728
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (31,759)	$ (33,520)	$ (31,095)	$ (32,898)	$ (129,272)
Total					
Revenue	$ 478,477	$ 464,232	$ 469,129	$ 445,763	$ 1,857,601
Operating income	$ 62,827	$ 74,062	$ 81,686	$ 69,706	$ 288,281
Operating income as a % of revenue	13.1 %	16.0 %	17.4 %	15.6 %	15.5 %
Add back:					
Amortization related to acquisitions and inventory step-up related to acquisitions	10,457	10,357	9,818	10,738	41,370
Severance	1,302	636	323	1,017	3,278
Acquisition related adjustments [2]	1,819	2,102	2,016	750	6,687
Government billing adjustment and related expenses	—	—	57	93	150
Site consolidation costs, impairments and other items	17,810	276	150	409	18,645
Total non-GAAP adjustments to operating income	$ 31,388	$ 13,371	$ 12,364	$ 13,007	$ 70,130
Operating income, excluding non-GAAP adjustments	$ 94,215	$ 87,433	$ 94,050	$ 82,713	$ 358,411
Non-GAAP operating income as a % of revenue	19.7 %	18.8 %	20.0 %	18.6 %	19.3 %
Depreciation and amortization	$ 33,484	$ 33,465	$ 31,799	$ 32,411	$ 131,159
Capital expenditures	$ 28,503	$ 22,011	$ 15,997	$ 15,920	$ 82,431

(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, and fair value adjustments associated with contingent consideration.

(3) This adjustment relates to transition costs associated with the divestiture of the CDMO business.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SUPPLEMENTAL SCHEDULE: PRIOR PERIODS RECAST FOR ASU 2017-07

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]

(in thousands, except percentages)

	Three Months Ended				Twelve Months Ended
	December 31, 2016	September 24, 2016	June 25, 2016	March 26, 2016	December 31, 2016
Research Models and Services					
Revenue	$ 124,712	$ 120,928	$ 125,058	$ 123,339	$ 494,037
Operating income	33,236	31,602	35,287	36,293	136,418
Operating income as a % of revenue	26.7 %	26.1 %	28.2 %	29.4 %	27.6 %
Add back:					
Amortization related to acquisitions	577	592	596	588	2,353
Severance	139	618	—	—	757
Government billing adjustment and related expenses	—	505	69	60	634
Site consolidation costs, impairments and other items	—	69	69	69	207
Total non-GAAP adjustments to operating income	$ 716	$ 1,784	$ 734	$ 717	$ 3,951
Operating income, excluding non-GAAP adjustments	$ 33,952	$ 33,386	$ 36,021	$ 37,010	$ 140,369
Non-GAAP operating income as a % of revenue	27.2 %	27.6 %	28.8 %	30.0 %	28.4 %
Depreciation and amortization	$ 5,240	$ 5,245	$ 5,118	$ 5,250	$ 20,853
Capital expenditures	$ 5,676	$ 2,532	$ 2,381	$ 1,053	$ 11,642
Discovery and Safety Assessment					
Revenue	$ 241,734	$ 215,817	$ 221,059	$ 157,983	$ 836,593
Operating income	43,150	29,764	32,082	30,383	135,379
Operating income as a % of revenue	17.9 %	13.8 %	14.5 %	19.2 %	16.2 %
Add back:					
Amortization related to acquisitions	8,675	8,583	7,390	3,095	27,743
Severance	197	3,367	4,099	21	7,684
Acquisition related adjustments [2]	872	677	2,838	802	5,189
Site consolidation costs, impairments and other items	4,062	5,125	121	2,033	11,341
Total non-GAAP adjustments to operating income	$ 13,806	$ 17,752	$ 14,448	$ 5,951	$ 51,957
Operating income, excluding non-GAAP adjustments	$ 56,956	$ 47,516	$ 46,530	$ 36,334	$ 187,336
Non-GAAP operating income as a % of revenue	23.6 %	22.0 %	21.0 %	23.0 %	22.4 %
Depreciation and amortization	$ 20,588	$ 20,671	$ 18,600	$ 11,957	$ 71,816
Capital expenditures	$ 13,633	$ 4,509	$ 4,644	$ 4,707	$ 27,493
Manufacturing Support					
Revenue	$ 100,343	$ 88,975	$ 87,938	$ 73,546	$ 350,802
Operating income	31,094	26,745	27,112	19,611	104,561
Operating income as a % of revenue	31.0 %	30.1 %	30.8 %	26.7 %	29.8 %
Add back:					
Amortization related to acquisitions and inventory step-up related to acquisitions	3,283	2,888	3,475	3,004	12,650
Severance	—	31	—	—	31
Acquisition related adjustments [2]	(55)	468	490	187	1,090
Site consolidation costs, impairments and other items	—	—	72	229	301
Total non-GAAP adjustments to operating income	$ 3,228	$ 3,387	$ 4,037	$ 3,420	$ 14,072
Operating income, excluding non-GAAP adjustments	$ 34,322	$ 30,132	$ 31,149	$ 23,031	$ 118,633
Non-GAAP operating income as a % of revenue	34.2 %	33.9 %	35.4 %	31.3 %	33.8 %
Depreciation and amortization	$ 6,884	$ 6,181	$ 6,525	$ 5,976	$ 25,566
Capital expenditures	$ 4,000	$ 1,862	$ 4,256	$ 2,129	$ 12,247

CONTINUED ON NEXT SLIDE

charles river

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SUPPLEMENTAL SCHEDULE: PRIOR PERIODS RECAST FOR ASU 2017-07

RECONCILIATION OF GAAP TO NON-GAAP

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

(in thousands, except percentages)

CONTINUED FROM PREVIOUS SLIDE

	Three Months Ended				Twelve Months Ended
	December 31, 2016	September 24, 2016	June 25, 2016	March 26, 2016	December 31, 2016
Unallocated Corporate Overhead	$ (38,565)	$ (28,403)	$ (36,800)	$ (35,038)	$ (138,806)
Add back:					
Acquisition related adjustments [(2)]	$ 2,552	$ 2,033	$ 7,260	$ 3,763	$ 15,608
Total non-GAAP adjustments to operating expense	$ 2,552	$ 2,033	$ 7,260	$ 3,763	$ 15,608
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (36,013)	$ (26,370)	$ (29,540)	$ (31,275)	$ (123,198)
Total					
Revenue	$ 466,789	$ 425,720	$ 434,055	$ 354,868	$ 1,681,432
Operating income	$ 68,915	$ 59,708	$ 57,682	$ 51,248	$ 237,552
Operating income as a % of revenue	14.8 %	14.0 %	13.3 %	14.4 %	14.1 %
Add back:					
Amortization related to acquisitions and inventory step-up related to acquisitions	12,535	12,063	11,461	6,687	42,746
Severance	336	4,016	4,099	21	8,472
Acquisition related adjustments [(2)]	3,369	3,178	10,588	4,752	21,887
Government billing adjustment and related expenses	—	505	69	60	634
Site consolidation costs, impairments and other items	4,062	5,194	262	2,331	11,849
Total non-GAAP adjustments to operating income	$ 20,302	$ 24,956	$ 26,479	$ 13,851	$ 85,588
Operating income, excluding non-GAAP adjustments	$ 89,217	$ 84,664	$ 84,161	$ 65,099	$ 323,140
Non-GAAP operating income as a % of revenue	19.1 %	19.9 %	19.4 %	18.3 %	19.2 %
Depreciation and amortization	$ 35,542	$ 34,108	$ 32,353	$ 24,655	$ 126,658
Capital expenditures	$ 25,679	$ 9,568	$ 11,791	$ 8,250	$ 55,288

(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, and fair value adjustments associated with contingent consideration.

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