Charles River Laboratories International, Inc.

Meeting with Management
August 14, 2018

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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, 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, average diluted share count, global efficiency initiatives, cost increases , pricing, foreign exchange 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; 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 with MPI; 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; 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.

Strategic Overview

James C. Foster
Chairman, President & Chief Executive Officer

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Every Step of the Way

Partnering across the drug discovery and early-development spectrum to help clients bring novel therapies to market for the patients that need them

The Premier, Early-Stage Contract Research Organization

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

Research Models and Services

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Discovery

Safety Assessment

Biologics

Microbial Solutions

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

Five Guiding Principles

- Experience with **thousands of molecules** across **every therapeutic and disease area**
  - Oncology, CNS, respiratory, inflammation, cardiovascular, metabolic, and rare/orphan diseases
- World-class laboratories in 23 countries
- **~1,500** scientists with advanced degrees including D.V.M., Ph.D., and D.A.B.T.
- **Regulatory** expertise
  - Dedicated scientific advisors to help clients navigate complex regulatory landscape
- **79 preclinical drug candidates** discovered and delivered to clients

Five Guiding Principles

- **~13,500** employees worldwide
  - North America, Europe, and Asia
- Culture of commitment and longevity
  - **~30%** employees with >10 years of tenure
- **Strategic hiring** and building broad bench strength
  - Supports significant growth in our business
  - Revenue has **nearly doubled** and our employee base has **increased by ~75%** since 2013 (1)
- Initiatives to enhance **employee engagement**

(1) FY 2013 through FY 2018E guidance midpoint.

Five Guiding Principles

- Broad portfolio is the **strongest** it has ever been, enabling clients to work with **one CRO** to support their drug research efforts
  - No direct competitor has an early-stage portfolio as expansive
- Expanding our position as **the premier early-stage CRO**
  - Continuing to **strengthen our portfolio** through addition of new products and services, geographic expansion, and **acquisition of strategic assets**
  - Enhancing our ability to support clients by **licensing emerging technologies** and **partnering** with biomedical thought leaders globally

Recent Acquisitions

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

- Managing acquisition and integration process to **achieve expected returns**
  - Invested **>$2B** in strategic acquisitions since 2012, generating **~10% return** (ROIC) (1)
- Expect to continue to **capitalize on opportunities** to acquire strategic assets

(1) ROIC excluding MPI since recently acquired.

Five Guiding Principles

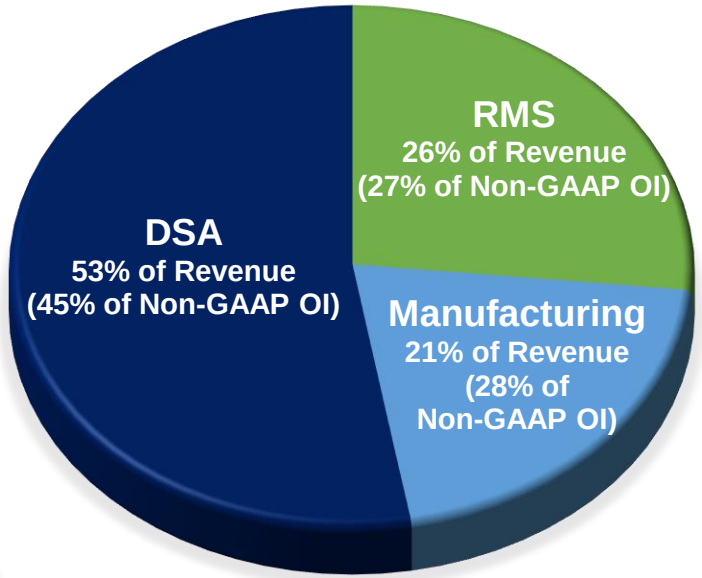
- Scientific expertise to support **critical go/no-go decisions**
- **Strategic relationships** where we work side-by-side with clients
  - Sell across our entire portfolio
- Tailored solutions for **small and mid-size biotech**
- Ability to create **flexible models** for partnering

Five Guiding Principles

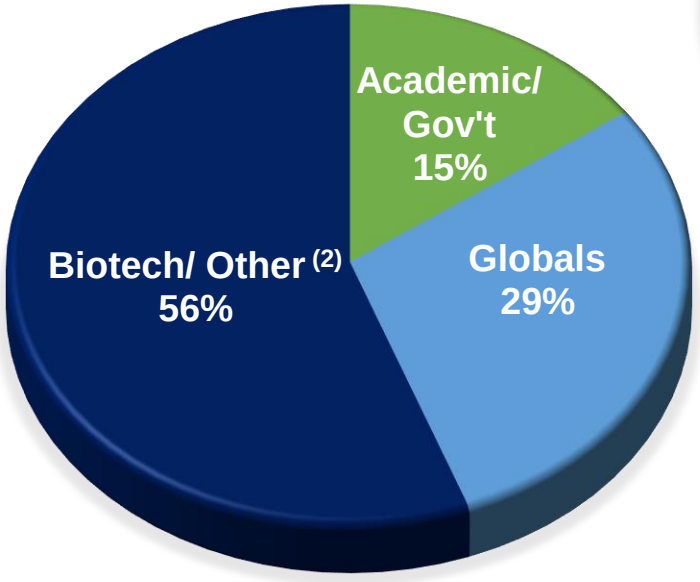
- Focusing on **revenue, earnings, and cash flow growth**
- Investing in areas with the **greatest potential for growth**
- **Driving efficiencies** to enhance operations
  - Culture of continuous improvement
  - **>$250M** of cumulative cost savings over last 5 years (2013-2018E)
- **Disciplined capital deployment**
  - Strategic acquisitions remain **preferred use of capital**

Charles River Snapshot

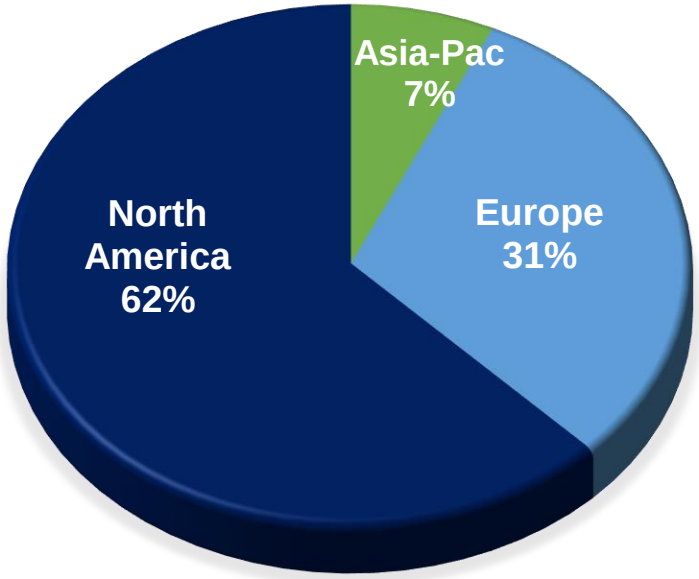
Business Segments(1)



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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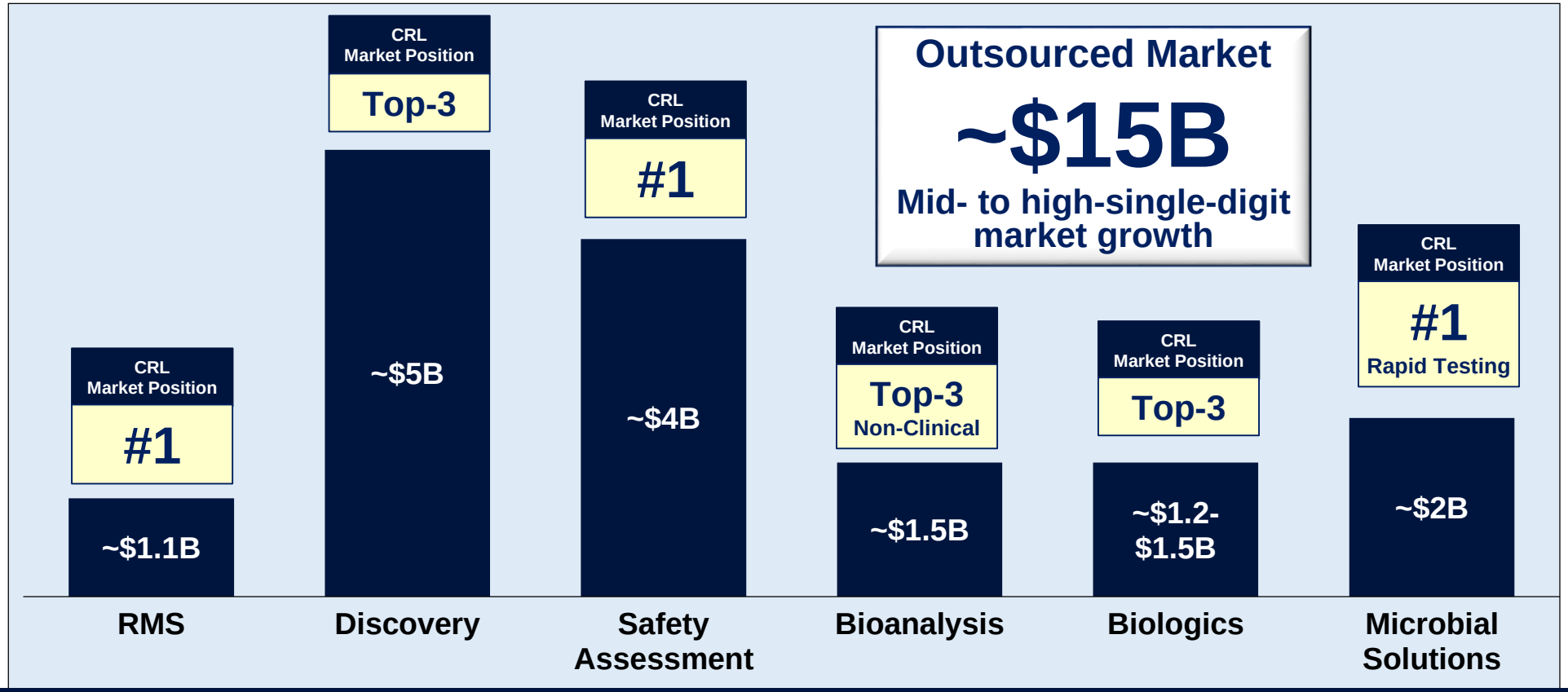
Significant, Addressable Market Opportunity



CRL has an unmatched portfolio with a significant opportunity for growth

Source: Refer to business unit presentations for source information for market data.

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
  - RMS China slightly less than 10% of RMS revenue
- Lower demand for research models in mature markets outside of China
- **DSA** segment is **RMS's largest client** by a wide margin
  - >5% of global RM unit volume (YTD June 2018)
- **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.

CRL Business Drivers, cont.

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

- Emerging demand from large biopharma to **enhance internal discovery capabilities**
- Large biopharma increasingly utilizing CROs like CRL in place of maintaining internal resources
- Biotech leveraging CRO expertise instead of building in-house capabilities
- **Expanding therapeutic area focus** around significant areas of research investment
- Importance of **global network** for clients working in multiple regions
- **~20%** of DSA clients utilize both Discovery & SA capabilities with **significant opportunity** to increase

(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 biopharma 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.

Are biopharma R&D outsourcing trends less cyclical today than a decade ago?

Why is Charles River better positioned today?

Stronger Biopharma R&D Environment Today

- Biopharma R&D activity significantly improved over the last decade
  - Global biopharma R&D spending continues to steadily increase to ~$160B this year
    - Small- to mid-size biopharma spending growing 3-4x faster than top 20 global biopharmas
  - FDA drug approvals and preclinical pipelines have significantly increased
    - Driven by rare/orphan disease and oncology research
    - 27 drug approvals YTD 2018 (8/8/18)
- Biopharma industry has moved beyond the significant patent cliff in 2012-2016
  - Believe there is less patent risk today

Average FDA Drug Approvals Per Year

2005-09	2013-17
22	36

Source: FDA.gov, industry reports.

Preclinical Compounds in the Pipeline

2009	2018
5,100	8,100

Source: Citeline/PharmaProjects.

Prescription Drug Sales at Risk Due to Patent Expirations

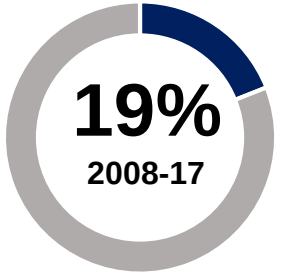
2012-16	2018-22
28%	18%

Source: EvaluatePharma.

Large Biopharma Model Continues to Evolve Through Externalizing R&D

- Large **biopharma** has **increasingly externalized R&D** for efficiency, productivity, and speed to market
- Large biopharma **focusing less** on **who discovers the molecule** and more on whether the molecule addresses a significant medical need
  - Sourcing molecules from biotech, academia/NGOs, and early discovery CROs
  - Nearly half of all large biopharma pipelines are externally sourced
- Large biopharma continues to **reduce internal capabilities** and increase reliance on outsourcing to CROs like CRL
  - Utilizing CROs for flexibility, efficiency, and productivity

% FDA Drug Approvals Originated by Top-10 Pharma



Source: HBM Partners, FDA.gov.

Safety Assessment Outsourcing Penetration

22-25%	55%+
2008	2018

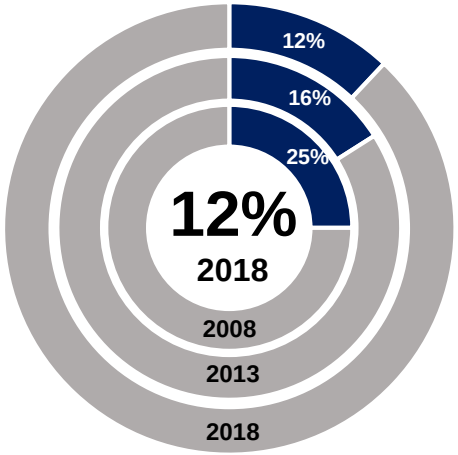
Source: Wall Street research, CRL 2008 Investor Day presentation, and CRL management estimates.

Externalization of R&D and infrastructure consolidation has reduced large biopharma's ability to move work back in-house

Innovation Shifting to Biotech

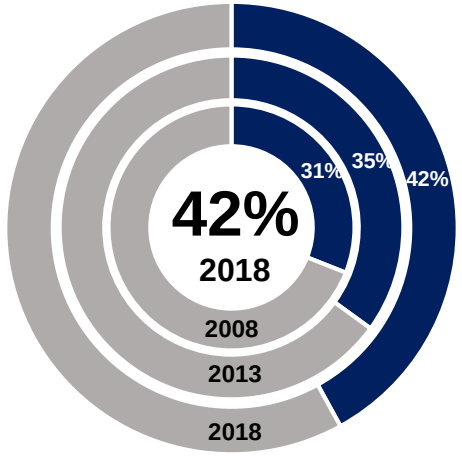
- Biotech industry has become the **innovation engine** for large biopharma
  - Large biopharma partnering has funded many of the virtual, small, and mid-size biotech companies
  - Global R&D pipelines are increasingly “owned” by biotech
- Successfully leveraging **new technologies** to discover drugs with the potential to mitigate and/or cure diseases
  - Genomics/proteomics have come of age and are driving identification of new types of drugs like immunotherapies
  - Biologics/large molecules represent a greater proportion of R&D pipelines

Top-20 Biopharma as a % of Total R&D Pipeline (#)



Source: Citeline, FDA.

Biologics as a % of Preclinical Pipeline (#)



Source: Citeline, FDA.

Biotech Fundamental Source of R&D Investment

- Biotech industry is much **larger** and **better funded** than a decade ago
  - Doubling of companies with active biopharma R&D pipelines
- In addition to pharma partnering, biotech is benefiting from a **robust funding** environment from **capital markets/IPOs** and **VCs**
  - 2017: Second-highest year for biotech funding on record after 2015
  - 2018: Tracking to exceed 2017
- Multiple sources of biotech funding provide balanced access to capital
  - Biotechs estimated to have **at least three years**(1) **of cash** on hand today due to broad-based investment in the sector

Companies with Active Biopharma R&D Pipelines

1,965	4,003
2008	2017

Source: PharmaProjects/PAREXEL R&D Sourcebook.

Biotech Funding (Capital Markets/VCs)

$94B	$217B
2005-09	2013-17

Source: Wall Street research, BioWorld.

Biotechs have limited to no internal infrastructure; Rely on outsourcing to early-stage CROs like CRL as flexible and efficient R&D partners

(1) Source: Wall Street research and CRL management estimates.

CRL Better Positioned Today

- Greater **breadth** and scale of our unique portfolio
  - The premier, early-stage CRO
- **Integrated approach** to drug discovery and early-stage development
  - Working on the same side of the table with clients as a trusted scientific partner
- Capacity and staffing levels are aligned with the pace of demand

CRL Infrastructure Aligned with Pace of Demand

- CRL has added an appropriate amount of capacity over the last 5 years to accommodate increasing client demand
- Significantly less excess capacity than prior to the global economic downturn
- Current capacity is well utilized
- Opening small amounts of capacity to accommodate persistent demand

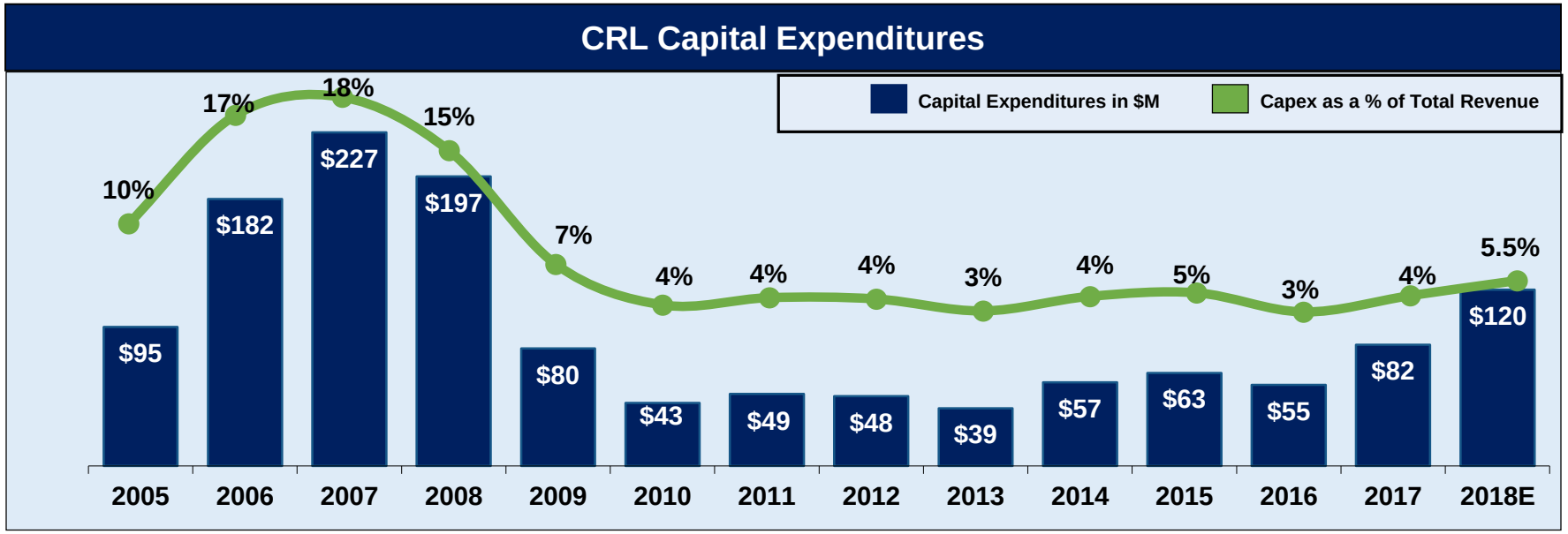
CRL+WIL+MPI Safety Assessment Footprint

~1,400 Rooms Today

Essentially Unchanged since 2008

CRL+WIL+MPI Safety Assessment Revenue

+15% since 2008



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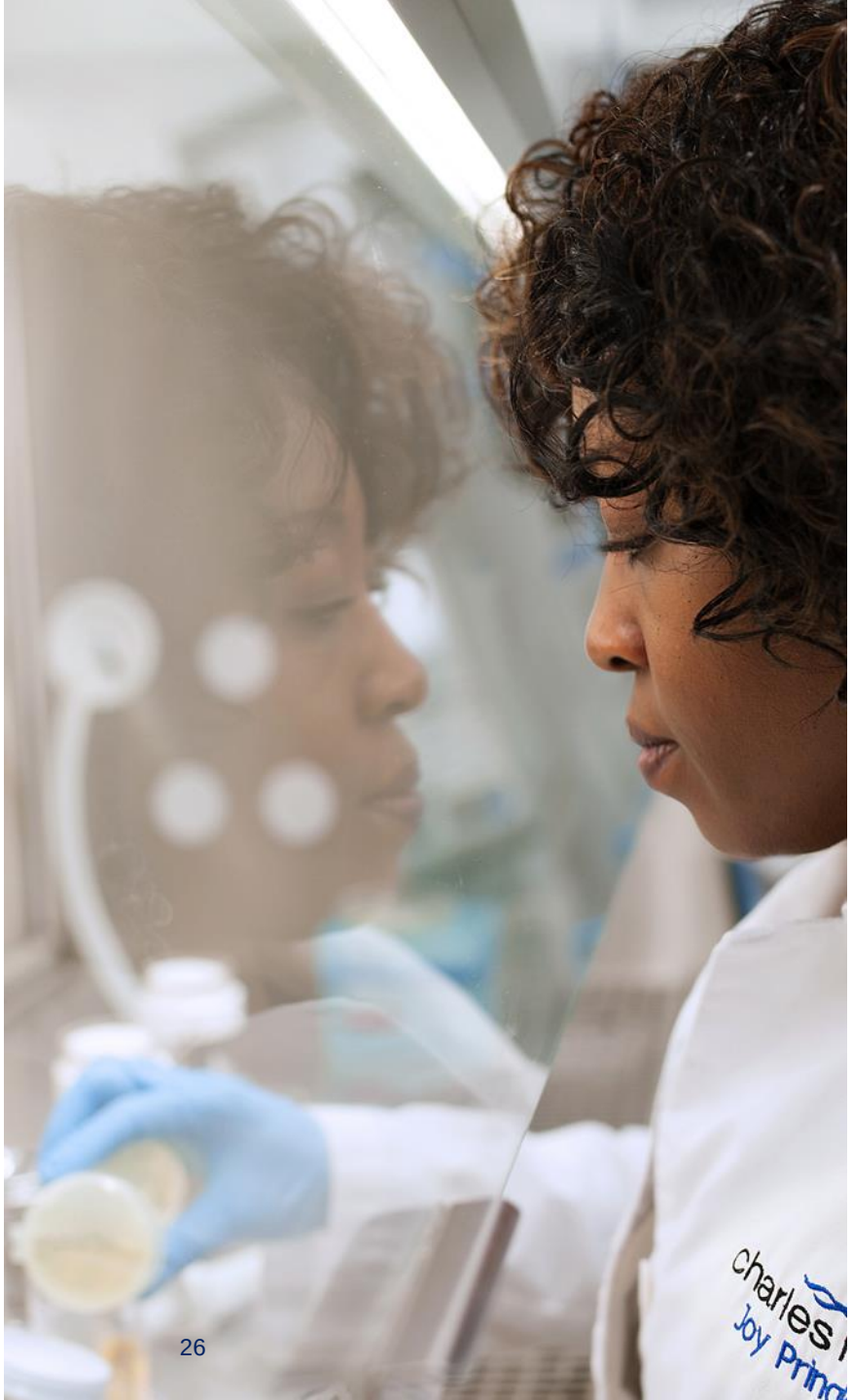
Strategic Plan Targets

	5-Year Targets	
	Organic Revenue Growth	**Non-GAAP Operating Margin**
RMS	Low-single digits	High-20% range
DSA	High-single digits	Mid-20% range
Manufacturing	Low-double digits	Mid-30% range
Consolidated	High-single digits	>20%
Consolidated with acquisitions	Low-double digits	>20%

Goal to double the size of the Company over the next 5 years through organic growth and M&A



CRL 2023: Building the Organization for the Future

Enhance Client Experience

- "Act small" – A **seamless, customized experience** will be critical to ensuring that every client feels like our only client
- Develop industry's **fastest** drug development turnaround times
  - Targeting to reduce early-stage timelines by an **additional year**
- Promote **strategic relationships** and partnering across the portfolio
  - Drives **greater pull-through** between our businesses

Build a More Scalable Operating Model

- Improve organizational **speed and responsiveness**
- Leverage our size and broad portfolio to expedite hand-offs from site-to-site and business-to-business
- Empower business units to become more agile
- Drive greater **operating efficiencies** and automation

CRL 2023: Building the Organization for the Future

Increase Adoption of Technology and Scientific Data

- Transform industry with a **best-in-class technology** platform
  - Build a **digital enterprise**/operating model
- Enable clients with **real-time access to data**
- Scientific data is the core of our business
  - Critical to design better studies with better outcomes

Drive Employee Engagement

- Strive to be an **employer of choice**
- Focus on recruiting and retention
  - Implemented program in 2018 to increase hourly wages of employees in certain business, predominantly in North America, U.K., and China
  - Maintain recruiting and retention at targeted levels
    - Voluntary turnover currently below 10%
- Enhance onboarding and training programs

Strategic Imperatives

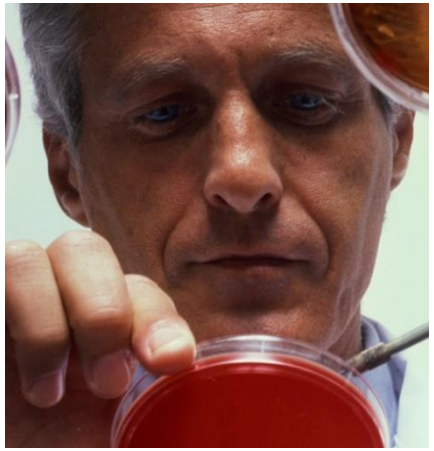
Add to scientific and management bench strength

Drive productivity and efficiency gains

Expand existing and sign new strategic relationships

Focus on strategic, disciplined growth

Disciplined capital deployment with a focus on M&A



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

Financial Overview

David R. Smith
Corporate Executive Vice President &
Chief Financial Officer

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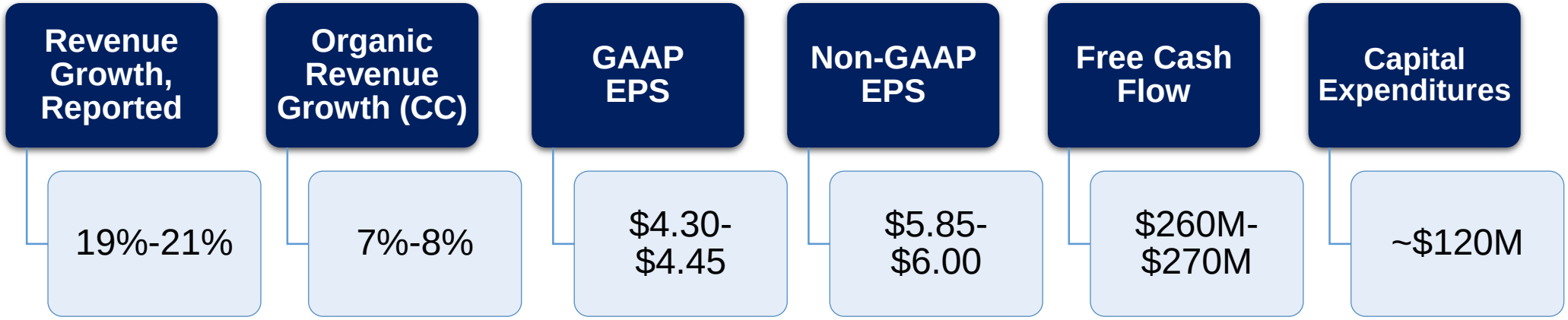
2Q18 Year-over-Year Performance

From Continuing Operations ($ in millions, except per share data)	2Q18	2Q17	%Δ	Organic CC %Δ
RMS	$130.4	$124.0	5.2%	2.0%
DSA	$346.4	$252.1	37.4%	7.3%
Manufacturing	$108.5	$93.0	16.6%	13.1%
Revenue	$585.3	$469.1	24.8%	7.1%
GAAP OM%	13.1%	17.4%	(430) bps	
Non-GAAP OM%	18.7%	20.0%	(130) bps	
GAAP EPS	$1.06	$1.12	(5.4)%	
Non-GAAP EPS	$1.62	$1.29	25.6%	
Free Cash Flow	$102.7	$90.1(1)	13.9%	

(1) Free cash flow has been adjusted to exclude the cash tax impact of the CDMO divestiture of $5.8M in 2Q17 period, which was recorded in cash flows from operating activities.

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

2018 Guidance



- Enthusiastic about our outlook for 2018 based on client demand
- Increased 2018 revenue growth, EPS, and free cash flow financial guidance on August 8th
  - Increased revenue growth guidance based on strong demand trends
  - Increased EPS guidance by $0.08 due primarily to better-than-expected venture capital investment gains
  - Increased free cash flow guidance by $20M due primarily to focus on working capital management

2018 non-GAAP EPS guidance represents low-double-digit earnings growth

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

Disciplined Capital Deployment

1. Leverage Strong Cash Generation

- Long-term revenue growth and margin expansion
- Enhance cash generation through innovative initiatives and efficiencies

2. Invest in Strategic Priorities

- Re-invest in business and pursue M&A to enhance growth and create value
  - Prioritize M&A targets with robust growth potential and synergies
  - Ensure that all investments satisfy return criteria/hurdle rates

3. Optimize Capital Structure and Ensure Strong Balance Sheet

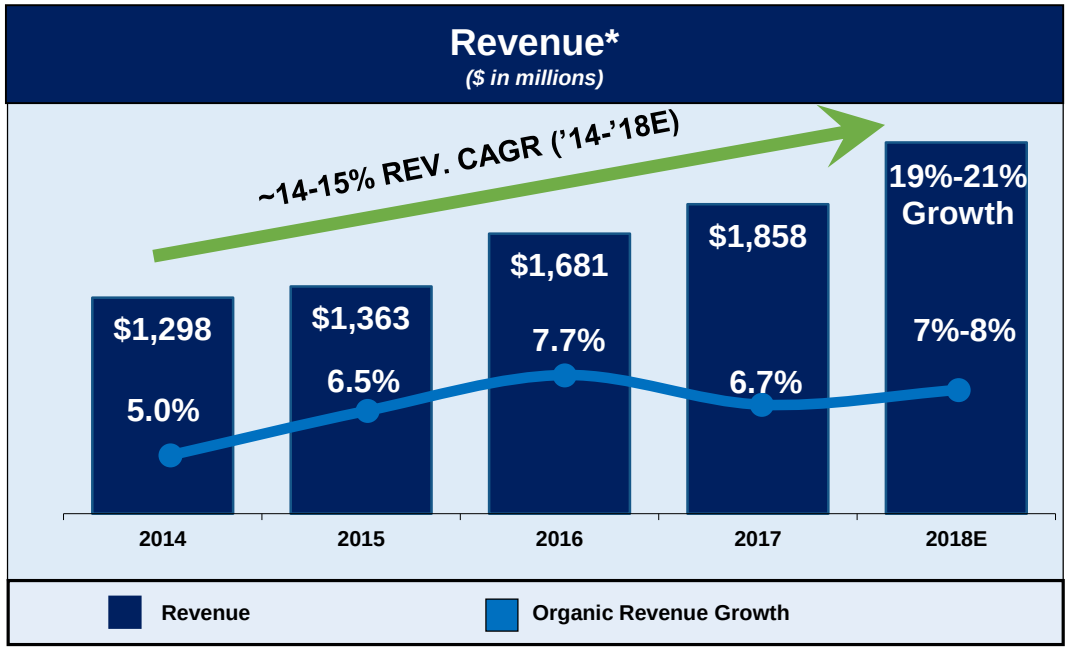
- Target a capital structure that is sustainable long term
- Maintain adequate liquidity to execute strategic priorities
- Maintain investment-grade credit rating

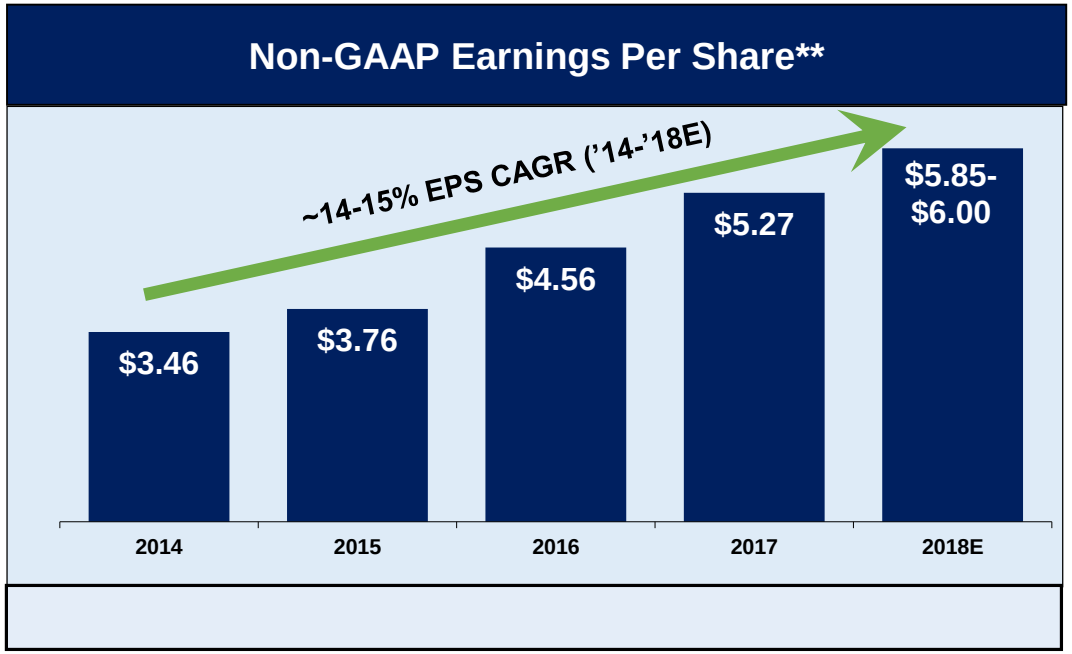
4. Distribute Excess Cash to Shareholders

- Stock repurchases
  - No repurchases expected in 2018 and do not anticipate any in the nearer term beyond 2018

Strategic Plan Targets

- Continue to target long-term revenue and EPS growth of:
  - **High-single-digit** organic revenue growth
  - Non-GAAP EPS growth to exceed organic revenue growth by **at least 200 basis points**
- Non-GAAP EPS from 2014-2018E expected to **increase by 14-15%** (CAGR), both including and excluding VC investment gains





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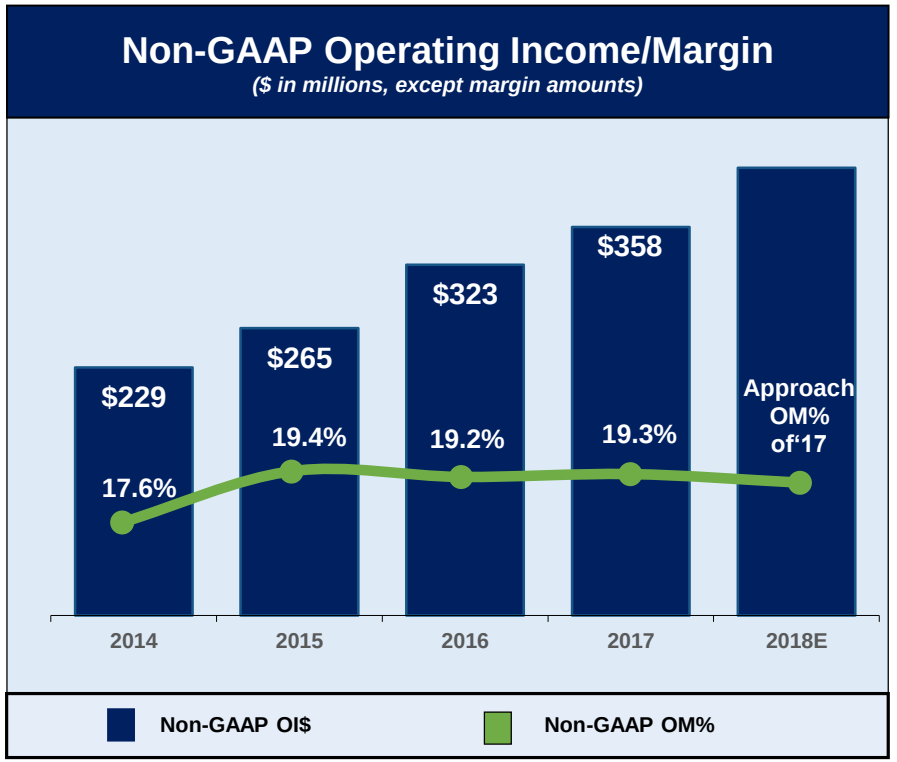
** Reported Revenue Growth (GAAP): 2014: 11.3%; 2015: 5.1%; 2016: 23.3%; 2017: 10.5%; 2018E: 19%-21% ** GAAP EPS: 2014: $2.70; 2015: $3.15; 2016: $3.22; 2017: $2.54; 2018E: $4.30-$4.45*

Operating Margin Expansion to >20% Target

- Continue to make meaningful and disciplined investments across our businesses
  - **Hiring staff** and **adding capacity** to accommodate increased client demand and create a more scalable infrastructure
  - **Adjust compensation structure** to remain competitive in marketplace
  - Invest in **information technology** to drive operational efficiency and enhance clients' real-time access to data
- Balance investing for the future with achieving 5-year operating margin target of >20%
  - Continue to drive higher revenue, earnings per share, and free cash flow



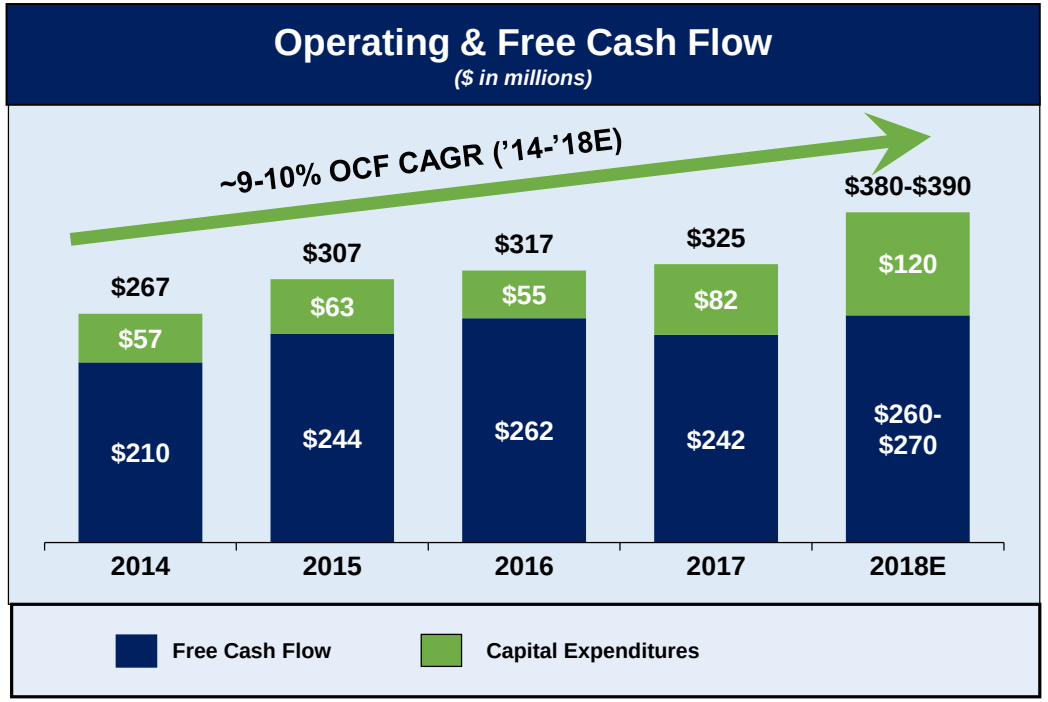
Goal to mindfully distance ourselves from the competition with best-in-class systems and a scalable operating model to help achieve our 5-year operating margin target >20%

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

**** GAAP Operating Income/Margin: 2014: 13.7%; 2015: 15.1%; 2016: 14.1%; 2017: 15.5%.***

Strong Cash Flow Generation

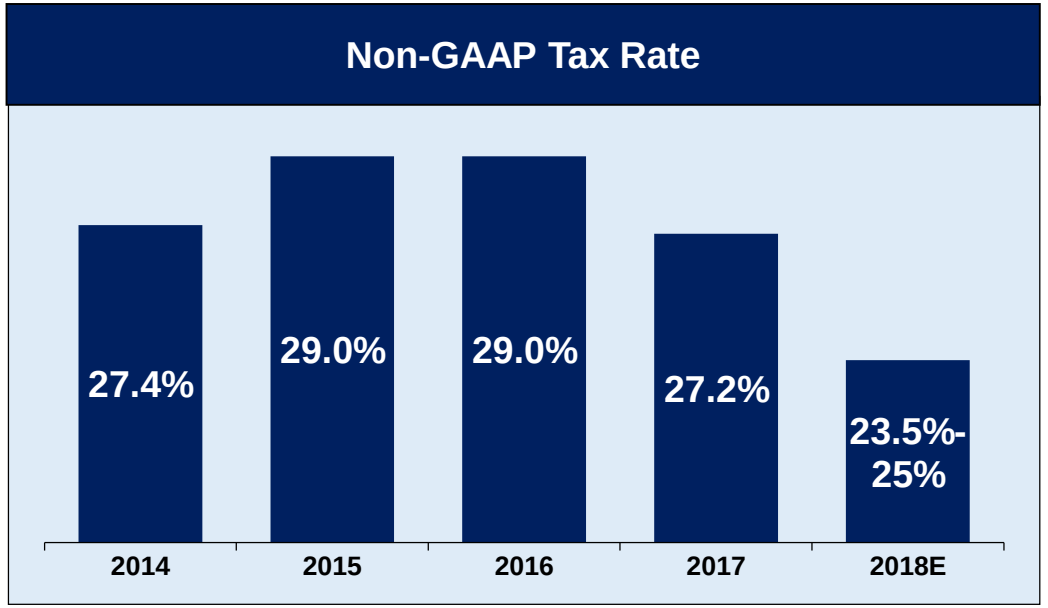
- Long-term revenue growth and operating margin expansion opportunities expected to continue to drive strong cash flow generation
- **Free cash flow** expected to **increase by 7.5-11.5%** YOY in 2018 despite headwinds from:
  - $38M higher capex
  - $18M transaction/integration costs, primarily related to MPI
  - $7M payment related to U.S. tax reform (toll tax)
- Expect **high-teens operating cash flow growth** YOY in 2018
  - Reflects strong underlying cash flow generation of our businesses



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

Favorable Movements in Tax Rate

- Non-GAAP tax rate movements over last 5 years driven primarily by:
  - 2015 Increase: Quebec tax law change (R&D tax credits)
  - 2017 Decrease: Excess tax benefit from stock compensation (FASB rule ASU 2016-09)
  - 2018 Decrease: U.S. tax reform; operational and tax planning initiatives; discrete tax benefits
- U.S. tax reform enabled CRL to repatriate foreign earnings and repay debt in 2018
  - $440M of cash repatriated YTD 2018
  - Reduces interest expense by ~$7M in FY 2018



Believe non-GAAP tax rate in the mid-20% range is sustainable going forward, assuming current global tax legislation

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

** GAAP Tax Rate: 2014: 26.8%; 2015: 22.2%; 2016: 30.0%; 2017: 57.7%; 2018EL 23.5%-25%.*

Venture Capital Investment Strategy

- CRL's venture capital (VC) investments have created a two-pronged income stream
  - Example of an innovative strategy to effectively deploy capital to generate revenue and create value
- VC relationships have resulted in **>25%**(1) average annual return

Client Relationships

- Primary purpose for partnering with VC firms is to be a preferred CRO to a large group of emerging biotech companies
- LTM June 2018 revenue contribution was **>$50M** from portfolio companies of VC funds in which we have invested

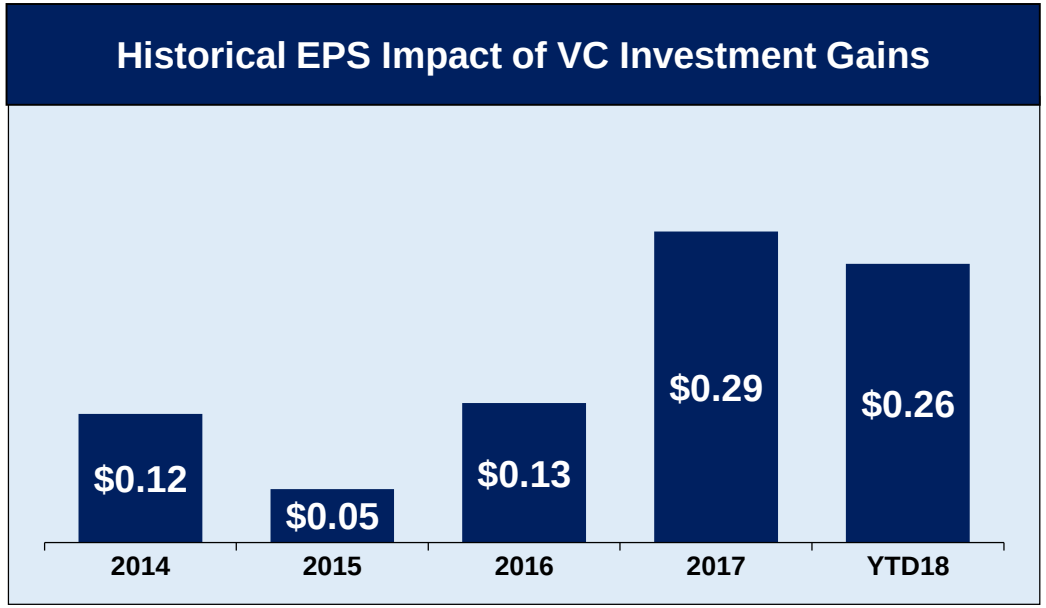
Investment Gains

- Investment returns have been attractive, but are a secondary element of these relationships
  - Capital commitments (since inception):
    - $61M funded/$109M total commitment
  - Gains/distributions (since inception; pre-tax):
    - $71M in realized/unrealized gains, including $41M in realized cash/equity distributions
- **>15%** average annual investment return on VC investments alone

1. Return calculation includes VC investment gains and operating cash flow from revenue generated from VC funds that we have invested. It does not include revenue generated from VC funds in which we have not invested.

Venture Capital Investment Gains

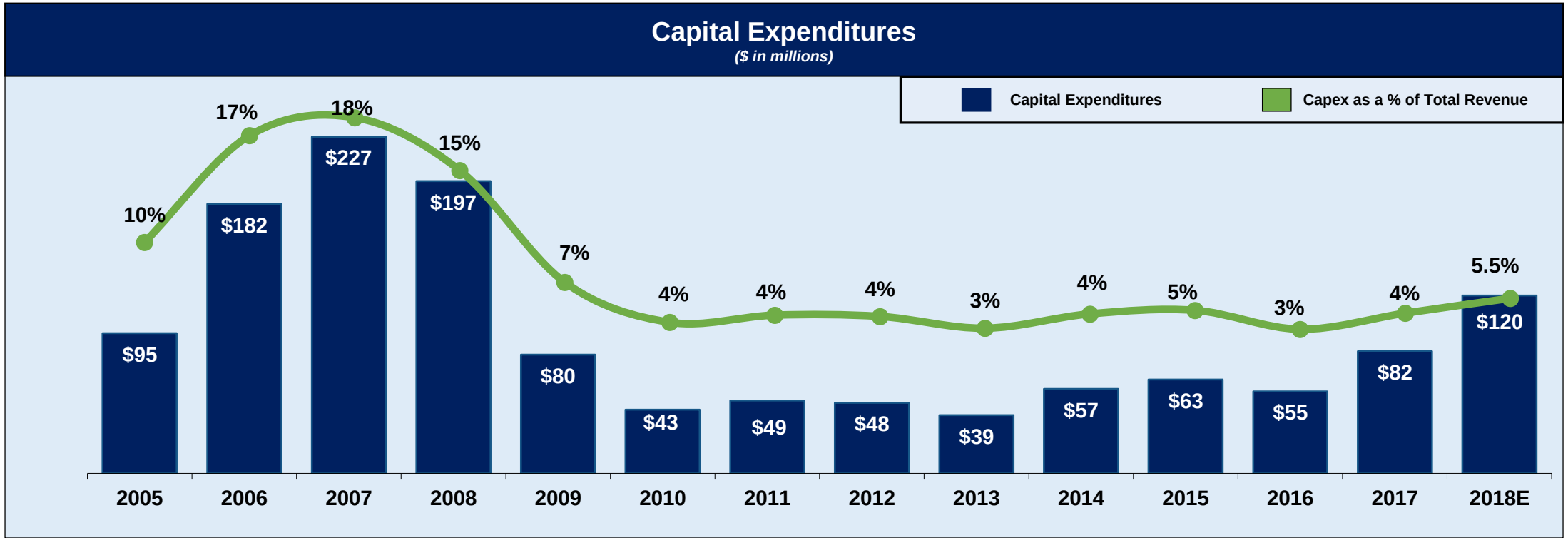
- VC investment gains or losses are inherently difficult to forecast and not the primary purpose of our VC investment strategy
  - Over last 5 years, gains ranged from $0.05 in 2015 to $0.29 in 2017 (YTD June 2018: $0.26)
- Non-GAAP EPS growth comparison:
  - 2014-2018E CAGR: 14-15%, both including and excluding VC investment gains
- Have not forecast VC investment performance in our outlook for 2H18



Intend to eliminate VC investment performance from our guidance in 2019

Investing in Continued Growth

- **Capital expenditures** have increased modestly in recent years
  - Disciplined investments required to accommodate increasing client demand as several businesses are operating at near-optimal utilization levels
  - Capital requirements of acquisitions, primarily MPI and WIL
- Expect capex to continue to increase over the next 5 years, but will remain in the **mid- to high-single digits** as a percent of total revenue
  - Capacity additions to support growth
  - IT investments to further differentiate our early-stage portfolio from the competition



Optimizing Our Capital Structure

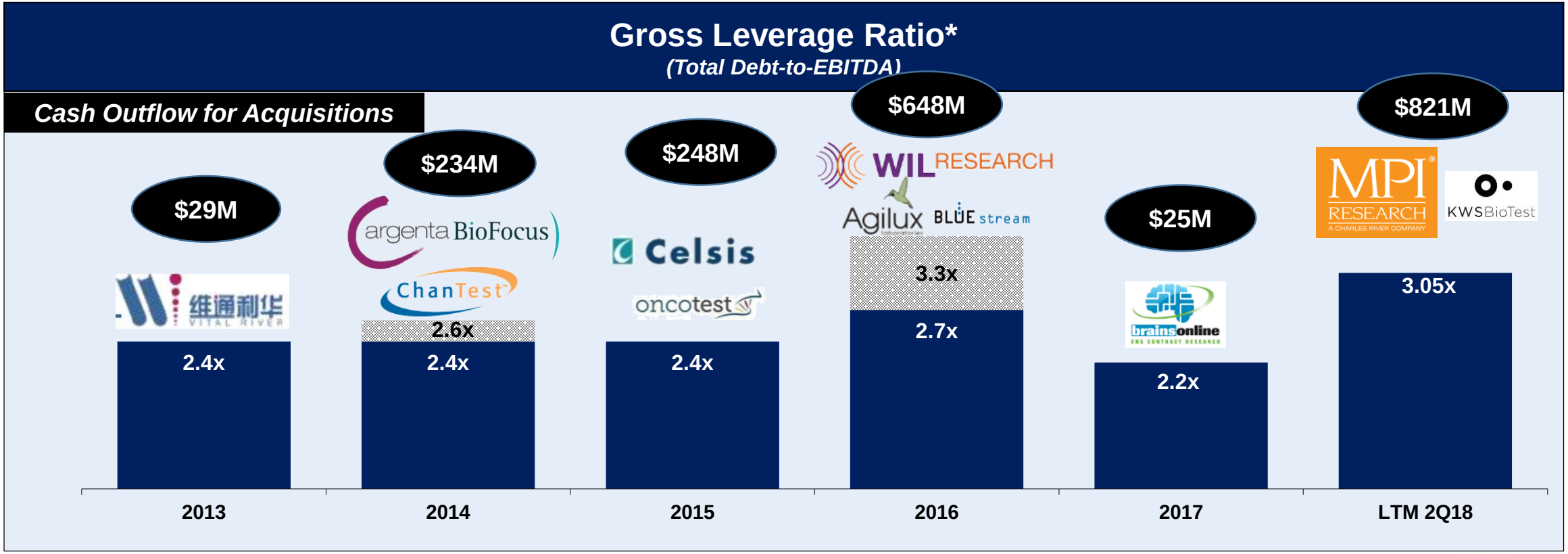
- Completed **refinancing** activities in March/April 2018:
  - Amended credit facility
    - Upsized senior secured revolving credit facility to $1.55B (from $1.0B)
    - Upsized senior secured term loan A to $750M (from $650M)
    - Pricing grid on credit agreement did not change, despite increased borrowing capacity
  - Issued new $500M, 5.5% senior unsecured notes
    - Fixed interest rate on a portion of our capital structure

CRL Capitalization ($ in MM)	6/30/18
5.5% Senior notes	$500
Term loan	750
Revolving credit facility	547
Capital leases & other	31
Total debt *(short & long-term)*	**$1,828**
Additional borrowing capacity	$999

Enhanced access to capital with ~$1B of additional borrowing capacity to support strategic initiatives, including M&A strategy

Focused on Debt Repayment

- Targeted leverage ratio (gross) **below 3x**
  - Increase debt level above 3x for certain strategic opportunities, primarily M&A
- Capital priorities in 2018 remain focused on debt repayment
  - Absent any acquisitions, goal will be to drive the gross leverage ratio below 3x

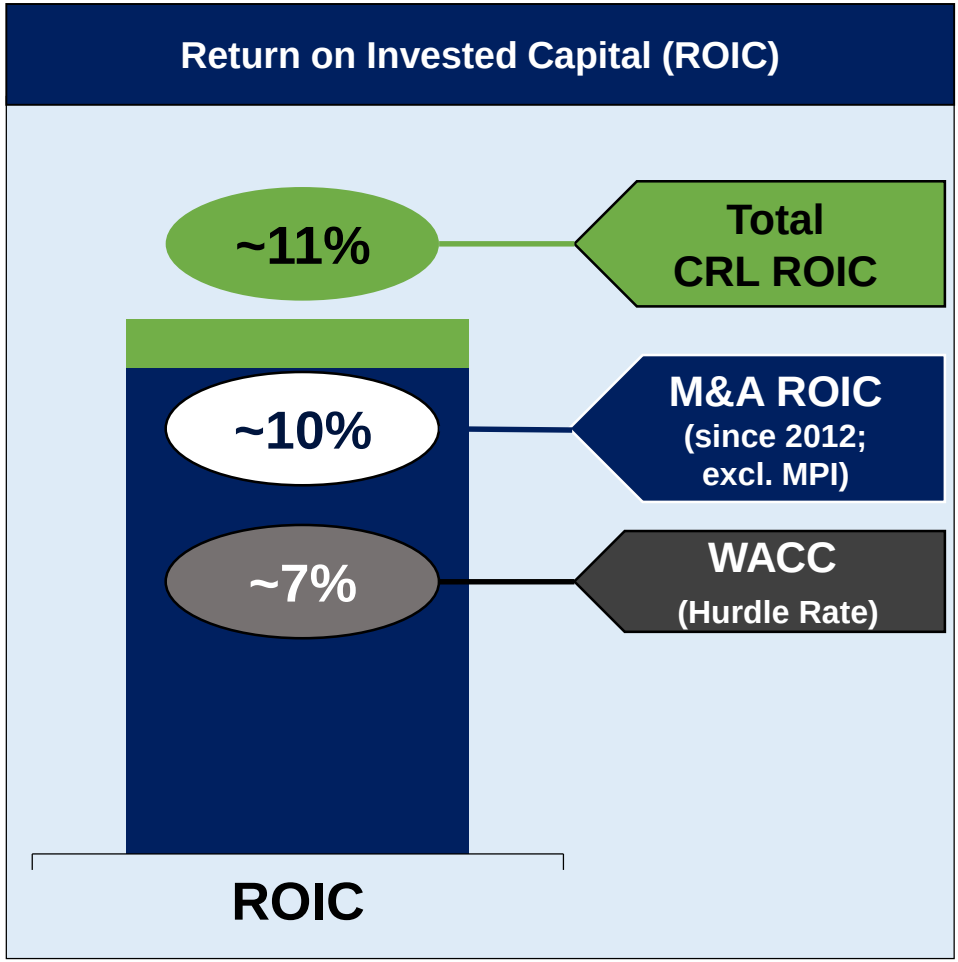


See ir.criver.com/Financial Information for reconciliations of Non-GAAP to GAAP results.

* Leverage ratio calculated pursuant to the covenants of our credit agreement. Solid blue bars represent year-end leverage ratio. Shaded areas represent highest leverage ratio for the year.

Strategic M&A Remains Top Priority

- **Disciplined M&A** remains top priority of our long-term strategy
  - Measure all M&A against investment criteria of:
    - Neutral to accretive on a non-GAAP basis in Year 1
    - ROIC meets or exceeds cost of capital by Year 3 or Year 4
- Invested **>$2B** in 17 strategic acquisitions since 2012
  - **~One-third** of 2018E revenue expected to be generated from these acquisitions
  - M&A strategy has met or exceeded our investment criteria/ hurdle rates
- Long-term strategic plan assumes reinvestment of significant portion of free cash flow in M&A activities
  - Supplements organic growth
  - **Enhances shareholder value**



Global Discovery & Safety Assessment

Birgit Girshick
Corporate Executive Vice President, Discovery & Safety Assessment, Biologics Testing Solutions, and Avian Vaccine Services

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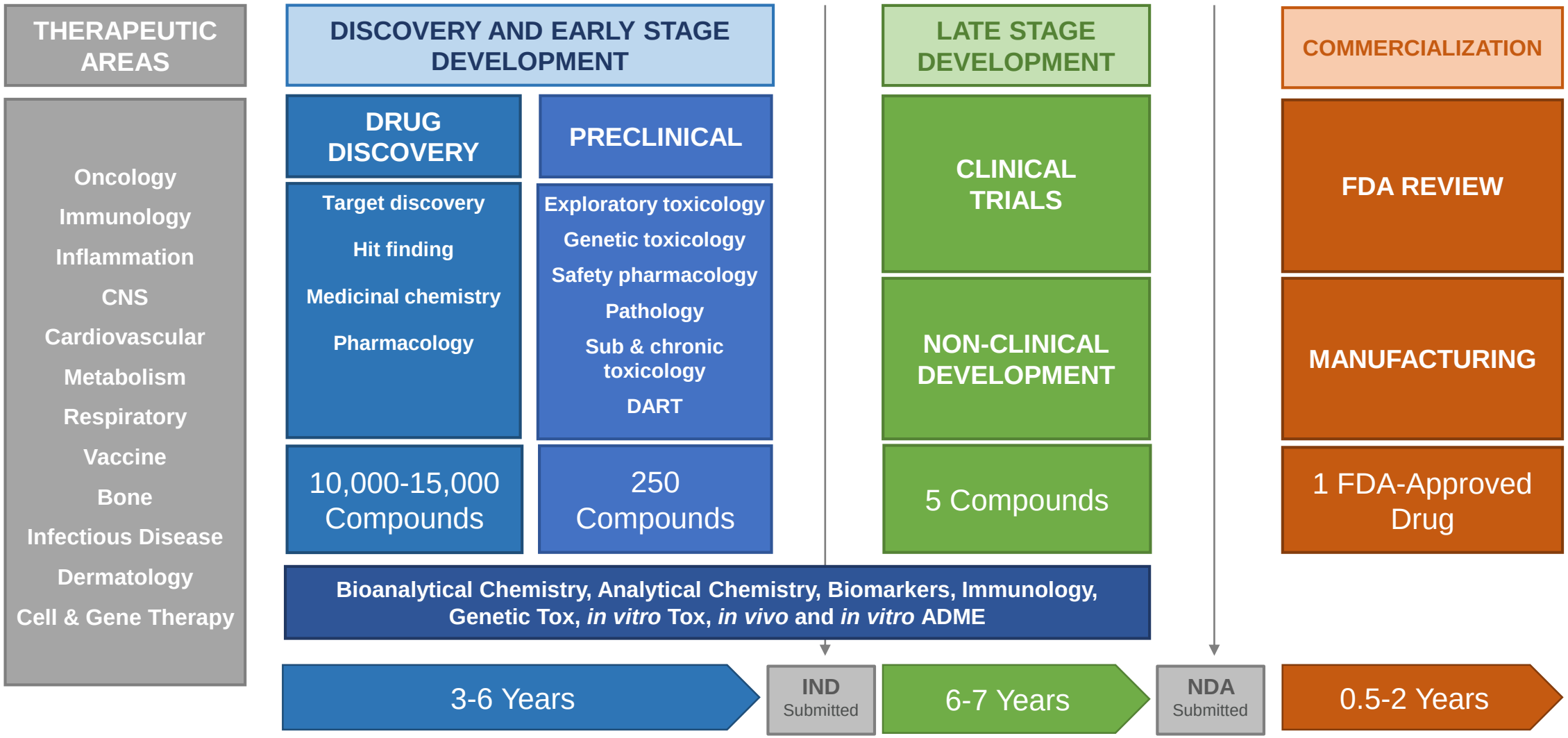
MEETING WITH MANAGEMENT

Drug Development Process



Sources: FDA and Wall Street research.

CRL Competitive Position

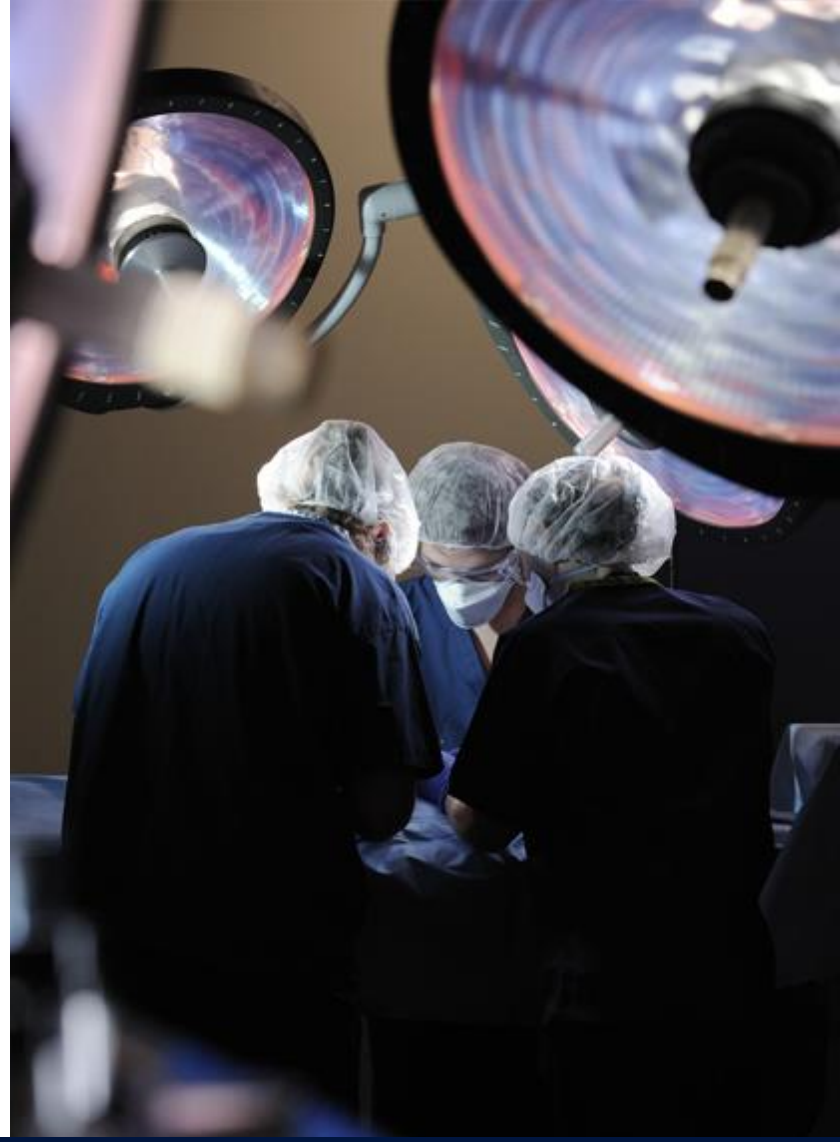
- Integrated early-stage capabilities
  - Broad capabilities from target identification through IND filing
  - Comprehensive portfolio enables clients to work with one CRO to support their early-stage drug research efforts
  - Fewer hand-offs increase the speed and effectiveness of our clients' discovery and early development programs
  - Importance of our global network for clients working in multiple regions

CRL Competitive Position, cont.

- Unsurpassed scientific expertise
  - Extensive experience with thousands of molecules across every therapeutic and disease area
    - Premier oncology and CNS platforms in discovery services
    - Extensive specialty toxicology expertise
  - Worked on **~80%** of the drugs approved by the FDA in 2017
  - Early Discovery has originated **79** novel molecules for clients since its founding in 1999

CRL Competitive Position, cont.

- Flexible, customized solutions
  - Tailored solutions for all clients
  - Ability to create flexible partnering models and customized project and program plans
  - Superior client service: Provide best-in-class communication and responsiveness
  - Rank very high in client satisfaction surveys

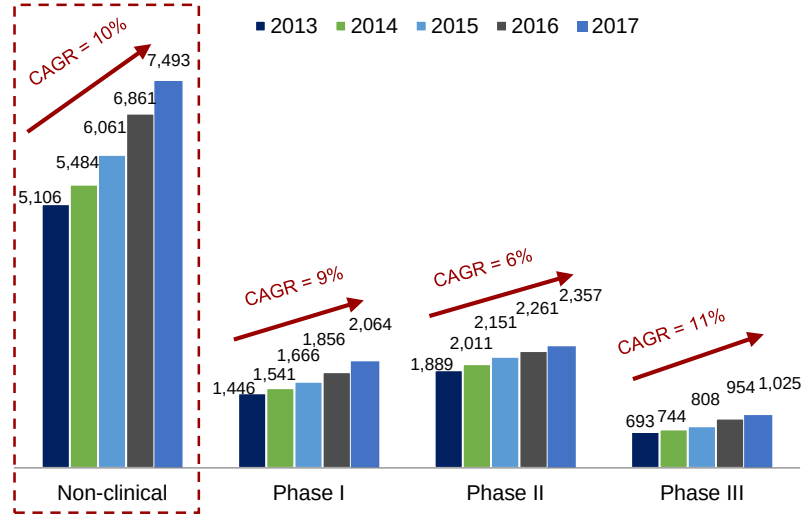


Recognized as the premier scientific partner of choice for integrated, early-stage drug research

Early-Stage Market Environment

- The non-clinical CRO sector represents ~two-thirds, or ~$10B, of CRL's total addressable market opportunity
  - Expected to grow in the mid- to high-single digits annually over the next 5 years
- Outsourcing penetration is expected to continue to increase over the next 5 years
  - Global biopharmas seek to reduce costs and improve efficiency
  - Biotechs continue to be the engine for discovery of novel therapeutics
    - Most new biotechs are virtual
- Biotech funding remains robust, with YTD 2018 tracking to be the second-highest year on record
  - Increased demand from small- and mid-size biotechs with limited to no infrastructure

Increasing Number of Non-Clinical Compounds in Pipeline



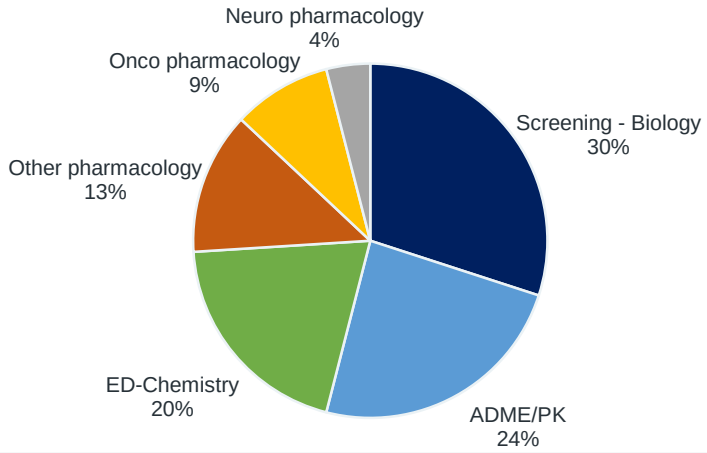
Source: PharmaProjects.

Sources: L.EK. Consulting, Wall Street research, and CRL management estimates.

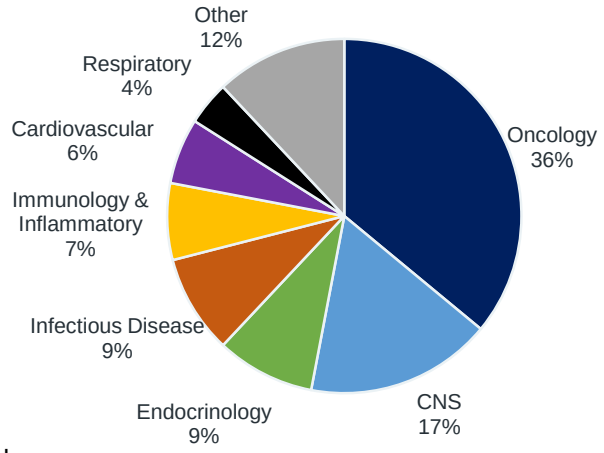
Outsourced Discovery Market

- Market estimated at ~$5B in 2018
  - Growing at a low-double-digit rate over the next 5 years
  - Outsourcing penetration estimated at ~25%
- Oncology remains the most dominant growth area, followed by platforms (rare/orphan), CNS/neurology, and immunology/ID
- Medicinal chemistry, biology screening, and ADME/PK make up ~75% of the outsourcing spend in Discovery
- Charles River Discovery Services ranks in the top-three providers
  - Large but very fragmented outsourced market

Global Discovery Outsourced Spend by Service Area



Drugs in Development by Therapeutic Class

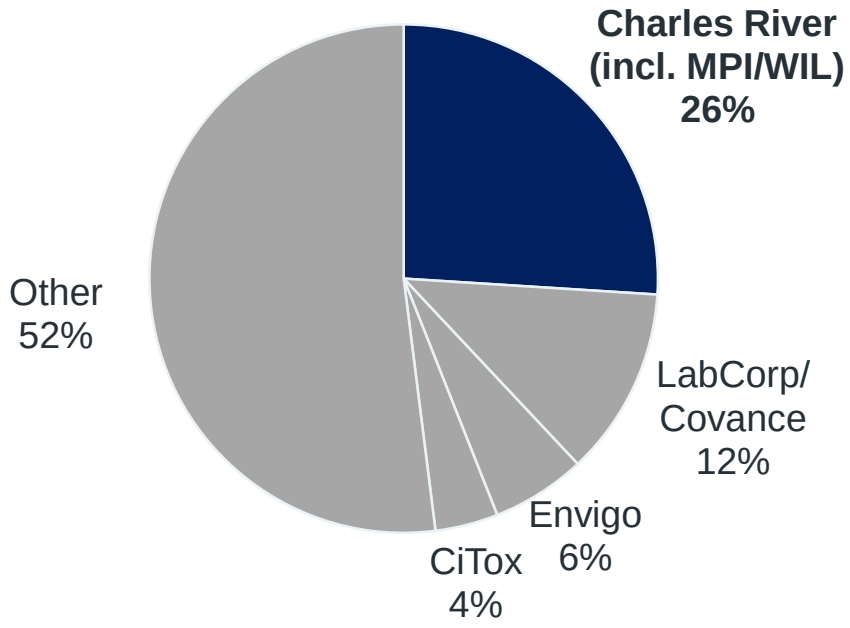


Sources: L.EK. Consulting, EvaluatePharma, Citeline, Paraxel Biopharmaceutical R&D Statistical Sourcebook, PharmaProjects, BCG, Visiongain, Wall Street research, and CRL management estimates.

Outsourced Safety Assessment (SA) Market

- Market estimated at ~$4B
  - Growing at mid- to high-single-digit rate over next 5 years
- SA outsourcing penetration currently estimated at **~55% or higher**
- SA outsourcing expected to increase to ~80% or greater over the longer term
  - Ongoing large biopharma efficiency initiatives and access to CROs' scientific expertise
  - Robust funding of virtual, small, and mid-size biotech, which require outsourced services

Outsourced Safety Assessment Market

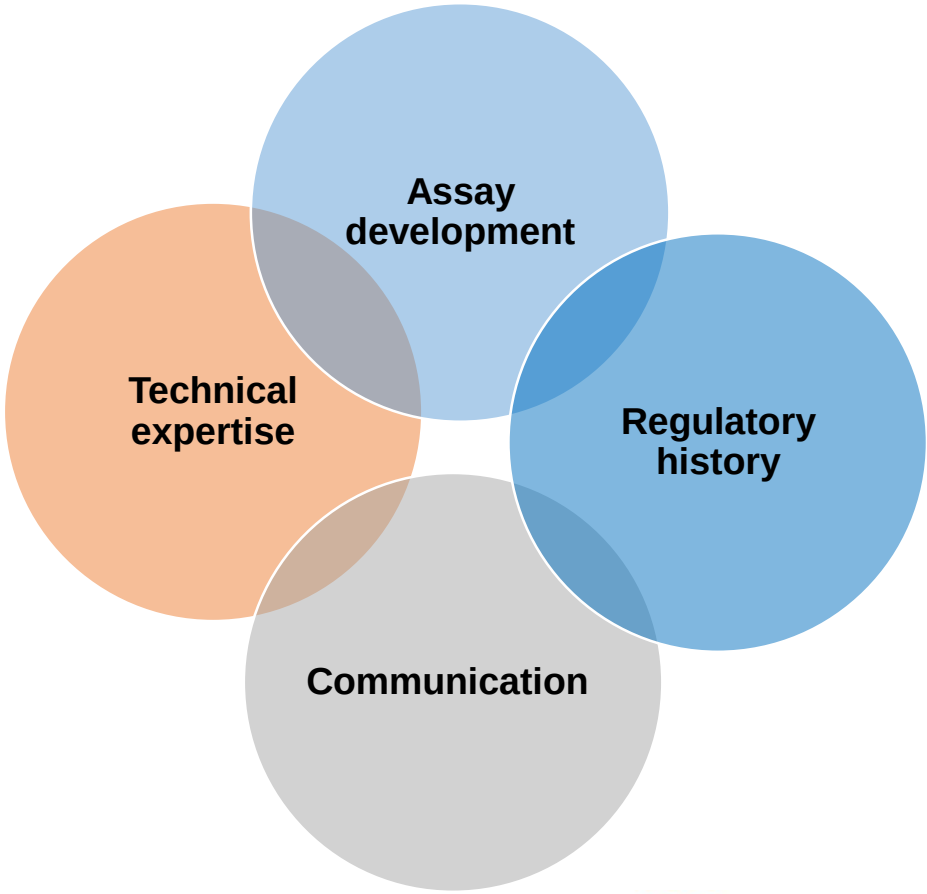


Sources: Wall Street research, L.EK. Consulting, and CRL management estimates.

Bioanalytical Market Opportunity

- CRL is well positioned, with a comprehensive suite of bioanalytical services required for sample analysis
  - Expertise with large and small molecules, as well as new modalities
  - Strengthened capabilities with 2016 acquisition of Agilux
- Outsourced bioanalytical market estimated at ~$1.5B
  - Market expected to grow in the **high-single digits**
    - Services for **biologics expected to drive growth**
  - Increasing complexity and cost of technology drives outsourcing and preference to stay with one lab from discovery through clinical trials
  - Few large players, with high number of niche/ specialized labs
    - Marketplace expected to continue to consolidate

Top Laboratory Selection Criteria

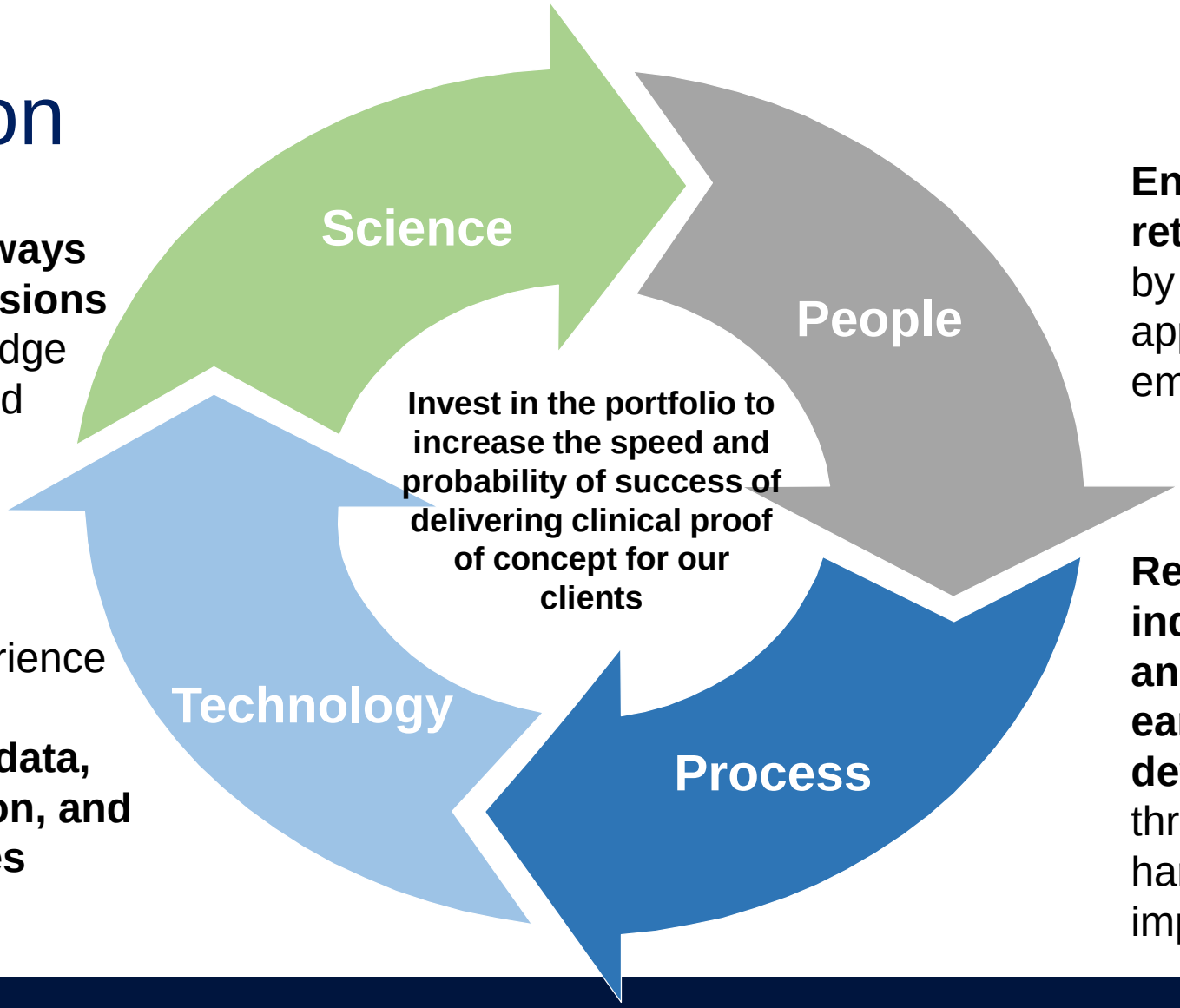


Sources: Grand View Research and CRL management estimates.

DSA Vision

Accelerate pathways to go/no-go decisions through leading-edge R&D expertise and innovation

Transform the outsourcing experience **through the digitalization of data, use of automation, and new technologies**

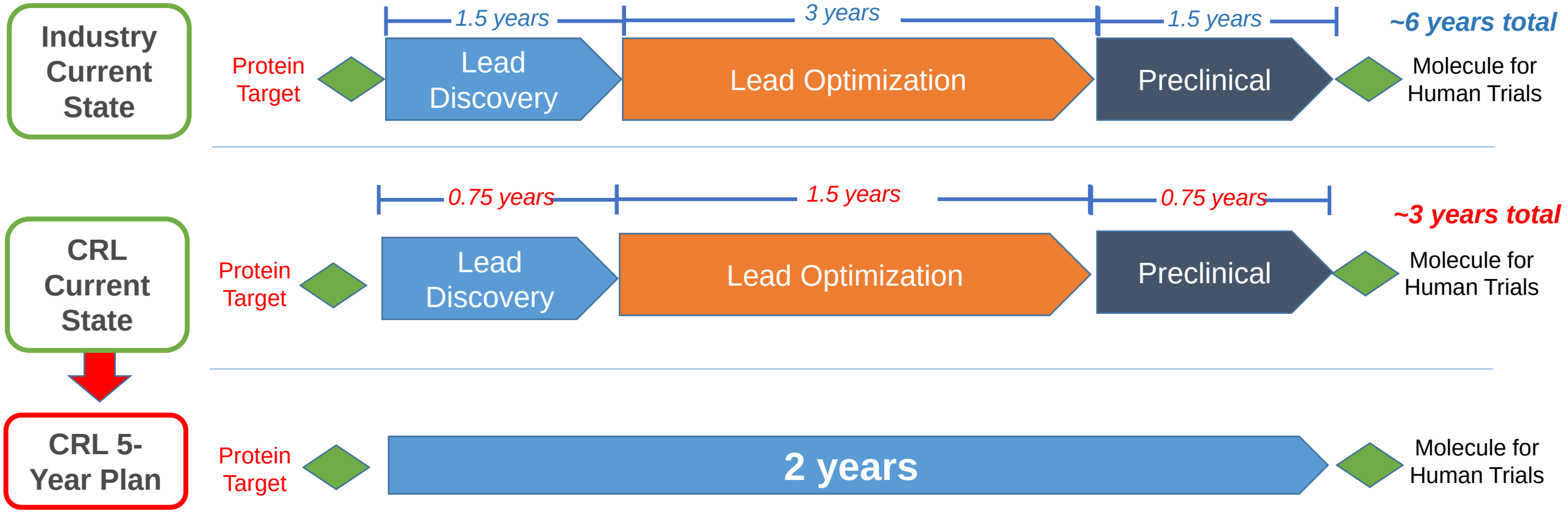


Engage, hire, and retain the best people by developing, appreciating, and empowering our people

Revolutionize the industry with a seamless and flexible end-to-end, early-stage drug development platform through collaboration, harmonization, and process improvement

MISSION: To deliver the fastest and most reliable process for a client to bring a drug to market

Strategic Goal #1: Industry's Fastest Early-Stage Drug Development Timelines



CRL is committed to improving the speed of drug discovery and early-stage development

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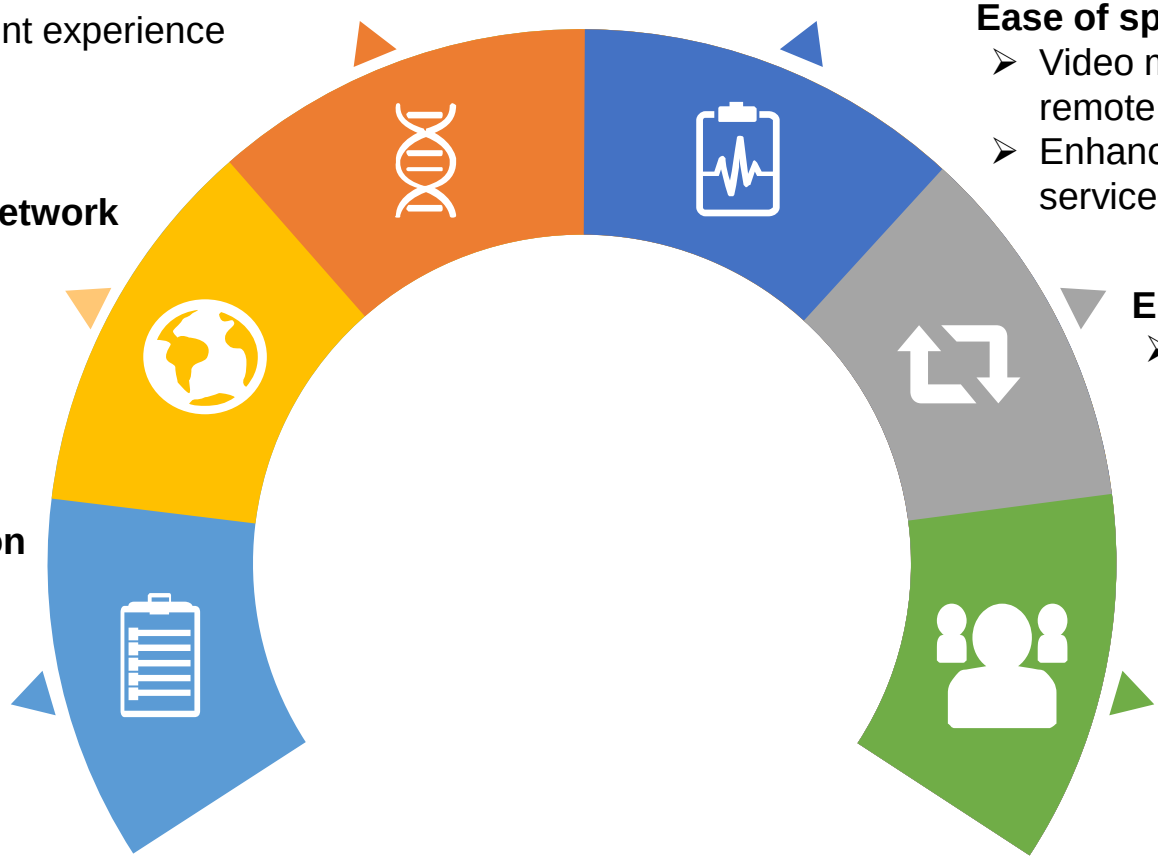
Strategic Goal #2: Enhanced SA Client Mobility

Global Process Adoption/ Harmonization
- Ensure common client experience regardless of site

Leverage power of our global network
- Central scheduling for *in vivo*, pathology, lab, and reporting
- Access to our global experts

Seamless interaction and information exchange across sites
- Focus on reporting and data management
- Facilitate “seamless transition” from site to site



Ease of sponsor mobility and monitoring
- Video monitoring; remote data reviews; remote study directors
- Enhanced access to data and self-service tools

Encourage inter-site cooperation
- Align and incentivize global performance and operational metrics

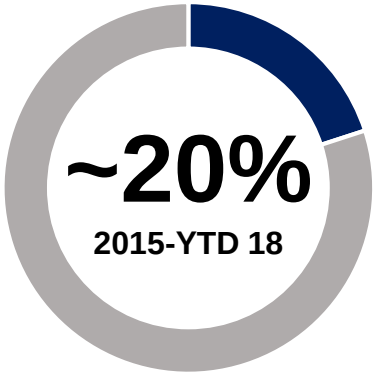
Staff mobility
- Standardized training and on-boarding
- Facilitate recruiting of “best of the best”

Enhance client, staff, and study mobility to optimize resource utilization and study starts

Strategic Goal #3: Increase Number of Clients Working Across Our Discovery & SA Portfolio

- Establish broader working relationships with clients by leveraging the synergies between Discovery and SA to create a more seamless operating unit
  - Multi-year progression for successful discovery targets to transition into IND-enabling safety studies
- Full service portfolio drives additional interest for strategic relationships
- Key initiatives to support enhanced DSA integration:
  - Leverage cross-functional scientific teams
  - Alliance/ project management to ensure efficient hand-offs from business to business
  - Integrated scientific program management guiding clients through the drug discovery and development process
  - Empower clients with enhanced access to technology/data
  - Business-wide, centralized scheduling

DSA Clients that Work with Both Discovery and SA



Goal to achieve ~50% client pull-through between Discovery and SA over the longer term

Strategic Goal #4: Optimize SA Capacity Utilization

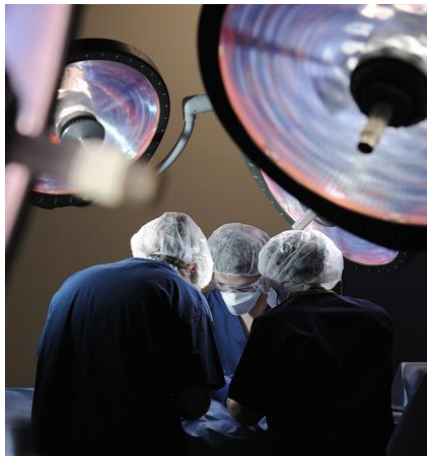
- ~1,400 available study rooms
  - Legacy CRL capacity continues to operate at near-optimal utilization levels (optimal = ~80-85%)
  - MPI added ~500 study rooms and has available capacity
    - Available capacity to support future growth was part of the acquisition rationale
- Optimization of capacity utilization requires:
  - Enhanced client mobility
  - Applying CRL's scheduling practices and adding rooms globally on an as-needed basis
  - Continued modest investments in laboratory capacity and equipment based on anticipated growth
- Employee experience initiatives drive improvement in resource availability

DSA Strategic Imperatives

Best employee experience through hiring, training, engagement, and compensation

Best science and technology with the goal to allow faster go/no-go decisions

Best client experience through provision of excellent client service, collaboration, and fast data



Best processes enable us to provide a flexible early-stage R&D platform

Charles River is the scientific partner of choice, recognized for strong science, a collaborative approach to client needs, and the fastest delivery from target identification to IND

MPI Research Integration Update

Andy Vick, Ph.D.
Site Director, Charles River-Michigan
Corporate Vice President, Safety Assessment

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MEETING WITH MANAGEMENT

MPI Research Brings Important Competitive Advantages to CRL

BUILDS SCALE TO MEET DEMAND

- Expands safety assessment capacity
- MPI provides a **1M-sq-ft**, single-site facility with available capacity
  - Potential cost/capex savings by providing capacity to meet future growth needs

EXPANDS CLIENT BASE

- Expansion of **biotech client base**, CRL's fastest-growing market segment
  - MPI specializes in supporting the biotech client segment
  - Recognized for its scientific expertise, flexible and responsive project management, and client service

EXPANDS SERVICE PORTFOLIO

- Acquisition of MPI adds or enhances specialty capabilities:
  - Abuse liability
  - Cellular and molecular biology
  - Imaging
  - Juvenile toxicology
  - Ototoxicology
  - Ophthalmology
  - Surgery/ Medical Device

ENHANCES MARKET POSITION & GROWTH PROFILE

- Enhances our position as the premier early-stage CRO
- Expected to generate attractive financial returns through strong, consistent revenue growth

Integration Highlights

- Extensive, pre-close integration planning
  - Led by dedicated integration team
  - Focused on relationships between functional areas
- Organizational structure in place Day 1
  - Selected best employees to lead the integration from both the CRL and MPI teams
- Focused on **employee engagement**
- Emphasizing **cultural similarities** and embracing differences
- Maintain momentum in legacy CRL and MPI businesses
  - Focus on monitoring business KPIs
  - Frequent touch points with clients
  - Minimized impact on day-to-day operations
- On-site management presence to enable quick decision making and real-time elevation of issues

MPI® RESEARCH
A CHARLES RIVER COMPANY

April 12th Walk-the-Wall Session

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MPI Integration: Comparison to WIL

Similarities	Differences
1. Integration formula for success: "*People + Process = Results*"	1. Single-site vs. multi-site integration approach
2. Integration goal: *"To be the best, most collaborative acquisition Charles River has ever had"*	2. Enhanced process due to benefit of previous successful WIL integration
3. Focus on our employees, clients, and other key stakeholders	3. MPI integration moving at a faster pace
4. Strive for continuous improvement: "*Desire to be better today than we were yesterday*"	4. Enhanced levels of change management and communication

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Planned Integration Timeline

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Benefits of Robust Integration Planning

- Robust integration planning yielding immediate benefits
- Strong **inter-site collaboration**
  - CRL and MPI teams **sharing best practices** across sites and scientific organizations
    - Adopting best practices of both CRL and MPI
- Excellent **client response** with numerous examples of clients utilizing **broader capacity and capabilities**
  - Believe CRL's unique portfolio and extensive scientific expertise are resonating with MPI's biotech-focused client base
  - Legacy CRL clients, including global biopharma companies, expressing interest in working with the team at MPI
    - Several legacy CRL clients have already placed work at MPI
  - **Encouraging client mobility** for legacy clients of MPI and CRL
- Multiple operational synergies (e.g. hERG, genetic tox, lab sciences)

Integration Summary

- All aspects of integration have been well executed
  - Successfully tracking to integration plan
  - **Employee onboarding** and **transition** complete
  - Rebranding complete: ONE Charles River
  - Tracking to expected **cost synergies of $13-$16M** by the end of 2019
- Strong business momentum maintained through integration
- MPI Research has become an integral part of the CRL family

Microbial Solutions

Foster T. Jordan
Corporate Senior Vice President,
Microbial Solutions

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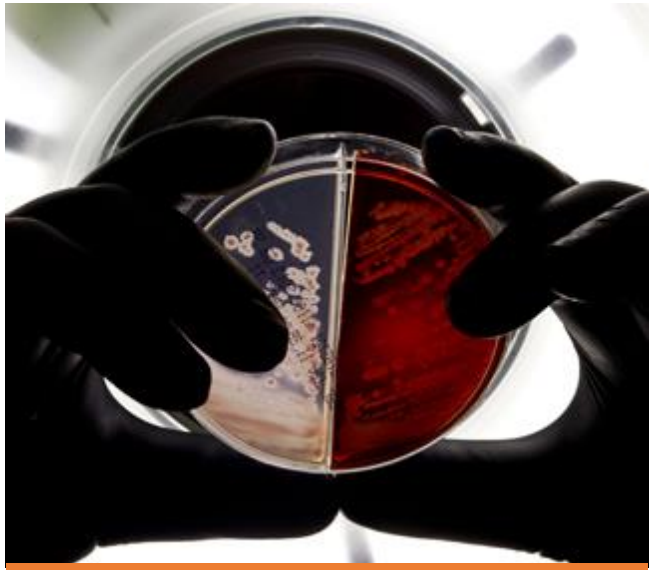
MEETING WITH MANAGEMENT

Charles River Microbial Solutions

Premier global provider of integrated **quality control (QC) testing** products and services that rapidly detect, identify, and analyze **microbial contamination** throughout the manufacturing process to ensure our clients can efficiently deliver safe products to market

Endosafe® Endotoxin Testing for Sterile Applications
Conventional or rapid PTS™ platform

Celsis® Rapid Microbial Detection for Sterile & Non-Sterile Applications

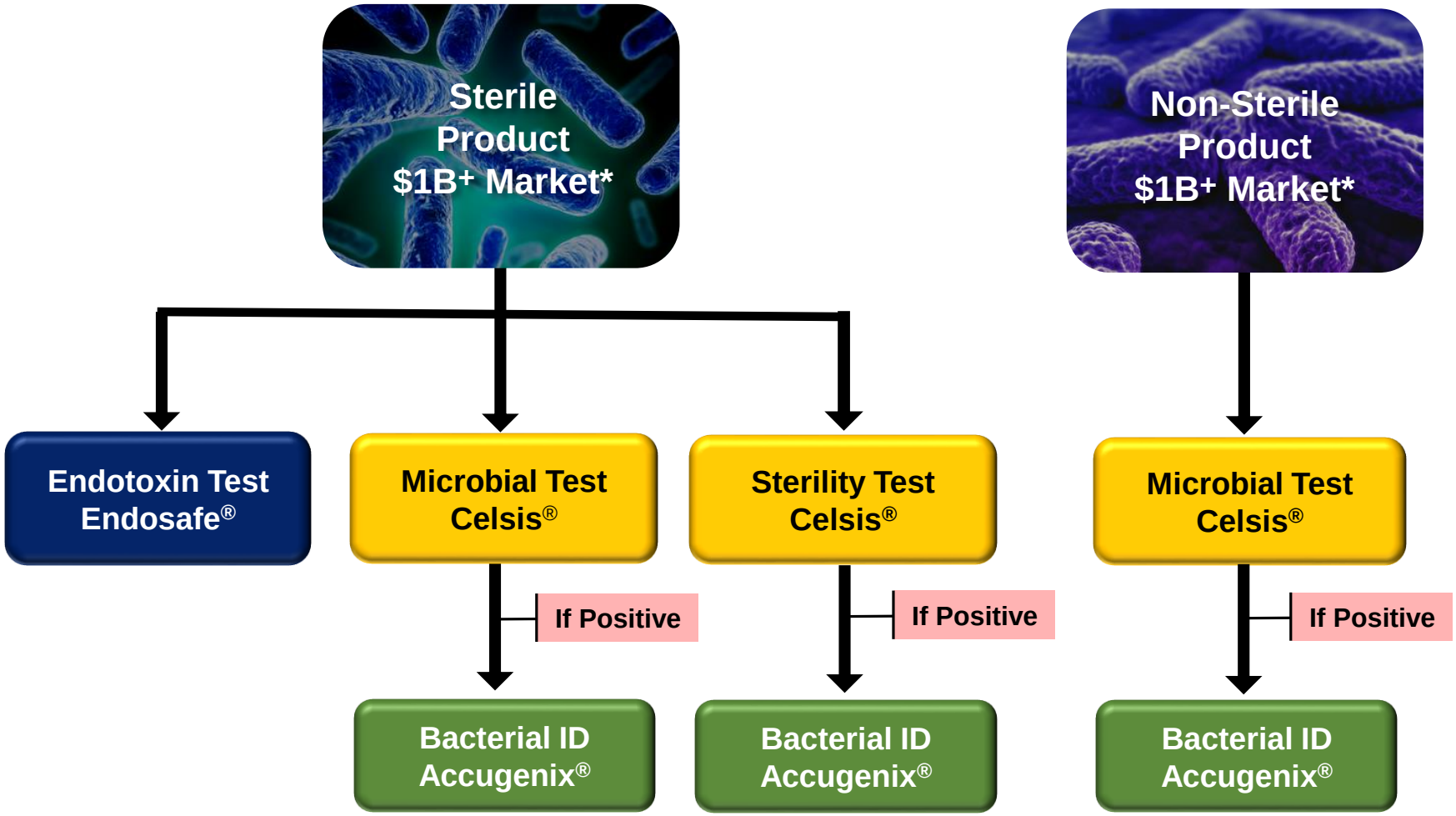


Accugenix® Microbial Identification

Quality Control (QC) Testing Environment

- **QC testing** is required to detect microbial contamination prior to product release across a wide range of industries
- Ensures **no harmful contaminants** in products for health, personal care, or consumption
- Products are classified in **two categories**, which have different testing requirements
  - **Sterile**: FDA-mandated QC testing for biologics and medical devices that come in contact with human blood (e.g. injectable drugs such as insulin; stents)
  - **Non-sterile**: Testing for conventional and OTC drugs and consumer products (e.g. pills, ointments, cosmetics, detergents)
- **Rapid testing methods** are replacing traditional methods to reduce risk, time, and cost

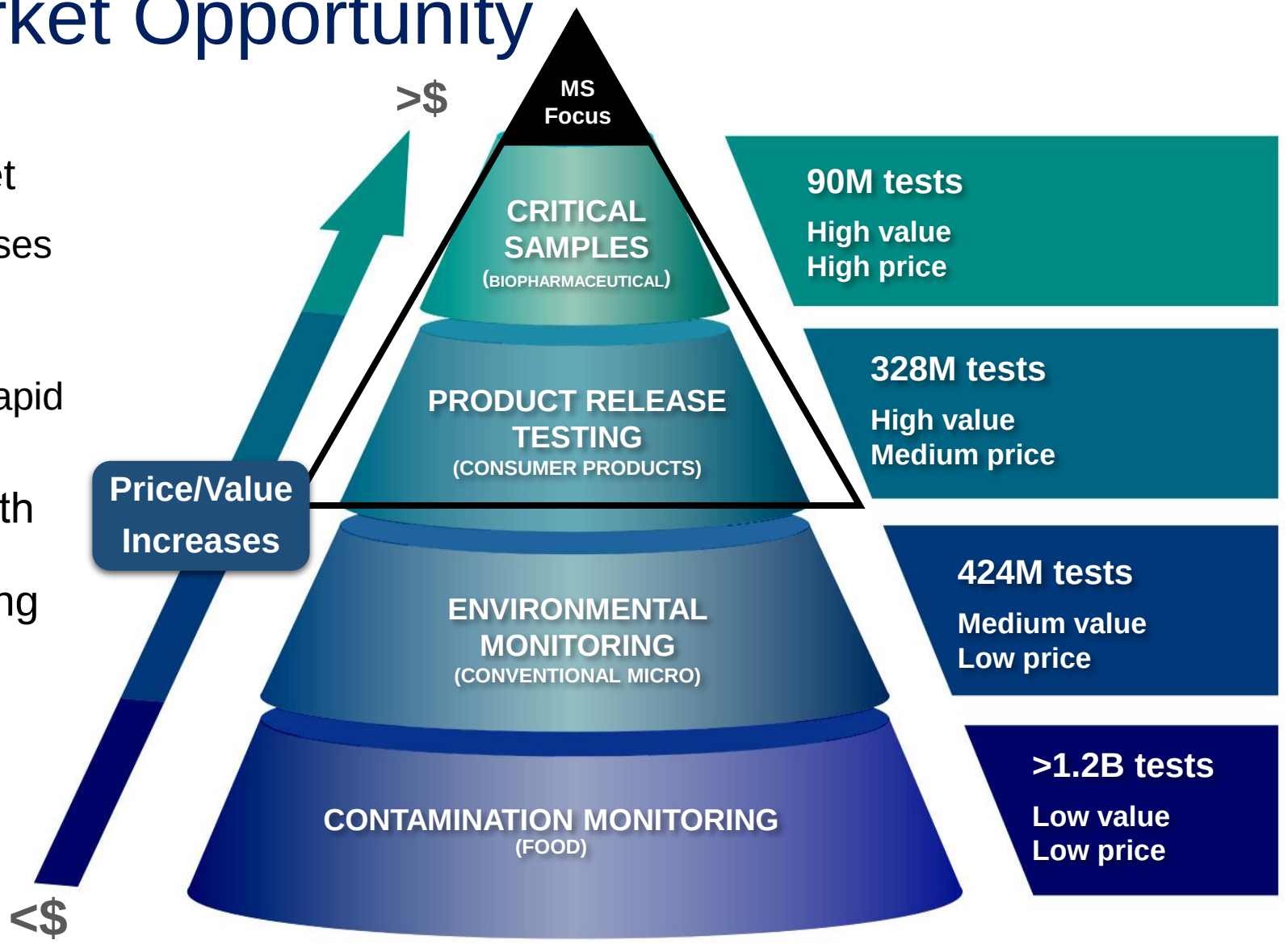
QC Testing Process



*Source: Strategic Consulting, Inc., Industrial Microbiology Market Review, Fifth Edition, 2018

QC Testing Market Opportunity

- >$2B addressable market
  - Microbial Solutions focuses on higher-value markets
  - No competitors have a similar comprehensive rapid testing portfolio
- Microbial Solutions' growth driven by conversion to rapid, more efficient testing solutions



Source: Strategic Consulting, Inc., Industrial Microbiology Market Review, Fifth Edition, 2018

Endosafe® Endotoxin Testing

- Over **7,000 rapid testing systems** have been installed globally
- **~1.5M FDA-licensed PTS™ cartridges** were sold in 2017 for our Endosafe® rapid testing systems
- Microbial Solutions has a **~50% market share** of the endotoxin testing market (includes rapid and conventional testing)
  - **<10% of endotoxin testing market has been converted** to rapid testing (by test volume)
  - Significant opportunity remains for CRL
  - Endosafe® rapid tests are priced **~4x higher** than traditional tests, due to ease of use and rapid results
- Recent portfolio enhancements address endotoxin clients' need for improved data integrity, increased sample throughput, and comprehensive data management for investigation resolution

Innovative product offering improves clients' operational efficiencies and streamlines quality control by accelerating testing times and increasing flexibility

Celsis® Rapid Microbial Detection

TIME TO RESULTS:

MICROBIAL LIMITS TESTING

Compendial Method: 5-7 days

Celsis: 24 hours

STERILITY TESTING

Compendial Method: 14-21 days

Celsis: 4-7 days

800 installations in over **65** countries

Bacterial detection and sterility portfolio focused on improving efficiency by decreasing our clients' manufacturing lead times and reducing inventory requirements

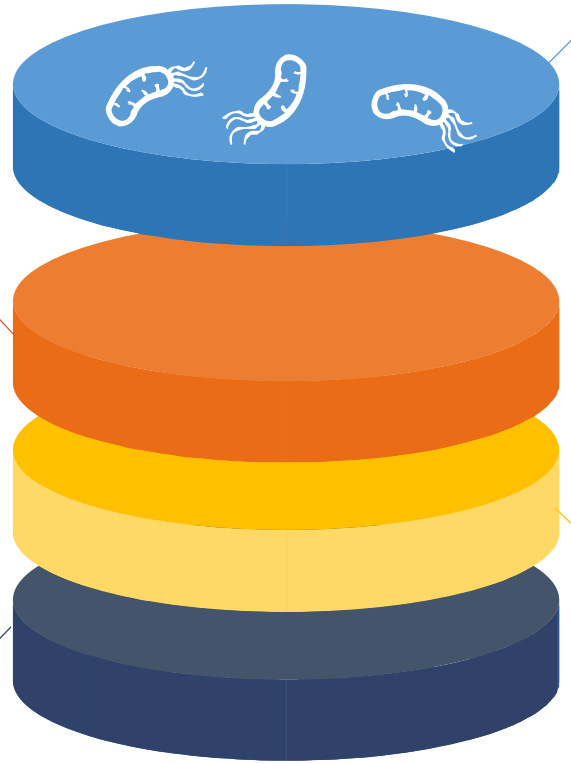
Accugenix® Microbial Identification

>370,000 Accugenix® samples processed in 2017

> 90,000 with same-day turnaround time

90%
Species identification rate

1,500
Samples/day tested in our labs



99%
On-time delivery rate

11,000
Unique bacterial and fungal species entries in our proprietary libraries

Continued expansion of our global, harmonized lab network offering microbial identification services with best-in-class accuracy and client responsiveness

Microbial Solutions Recent Developments

- Launched new cartridge-based instruments to further drive endotoxin lab testing efficiency
  - Nexus™ 2.5 provides improved performance and communication for high-throughput clients
- Efficiency initiatives provide greater value to our clients
  - Add manufacturing capacity, automation, and bulk packaging configurations to improve cost structure
- Initial launch of Cortex™ data management tool
  - Unique approach to integrated data management which improves clients' manufacturing efficiency
- Continue to strengthen global footprint
  - Acquiring distributors and expanding client service/field support
  - Enhanced global supply chain with consolidation of European distribution network in Ireland in 4Q17
- Continue to expand our commercial team to more effectively support our client base

Microbial Solutions Growth Strategy

Continue to build leadership position in rapid microbial detection and identification

Expand global footprint to accelerate growth

Provide software solutions to improve client lab efficiency

Convert traditional users to rapid detection products

Leverage strength in sterile and non-sterile QC markets to drive client adoption of comprehensive portfolio

Continue to innovate product/service offerings through internal development, acquisition, and/or licensing

Successful execution of opportunities drives long-term revenue growth >10%

Global Biologics Testing Solutions

Greg Beattie,
Corporate Vice President,
Global Biologics Testing Solutions

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MEETING WITH MANAGEMENT

Biologics Testing Solutions Overview

- Premier global CRO providing services that support our clients' **manufacture of biologics** and biosimilars, including process development and quality control
  - Supports developers and manufacturers with **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
  - Extensive testing expertise, global presence, industry-leading quality and turnaround time to provide clients with fast and reliable results
- Biologics testing is an essential, fast-growing market, expanding in the **low-double digits** year-over-year
- CRL is actively investing in capacity and expanding capabilities through internal development and M&A to meet increasing client demand

Biologic vs. Small Molecule Drug

Analytical/ Structural

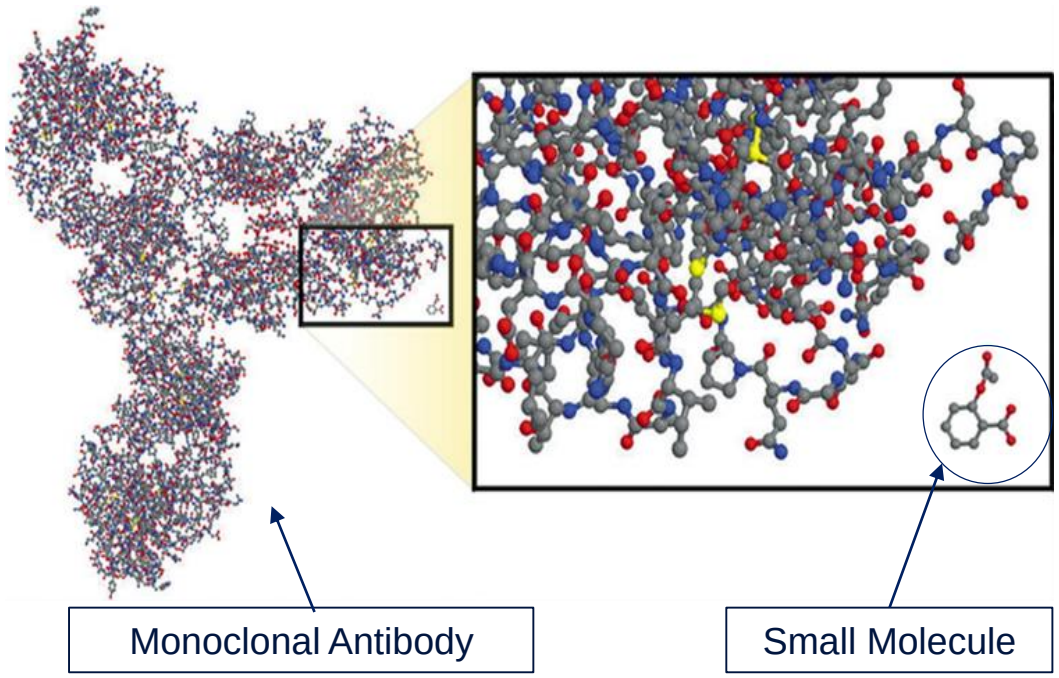
- **Characterizing biologics/biosimilars** is significantly more difficult than small molecules, involving numerous and complex tests

Clearance/ Biosafety

- **Production via living systems** (i.e., E.coli, yeast, or mammalian cells) requires additional biosafety testing assays

Potency/ Efficacy

- For **patient safety**, FDA requires more detailed structural and stability analysis of biologics and biosimilars



Biologics require significantly more analytical and biosafety testing from discovery through manufacturing and commercialization due to their larger size, complexity, and production in living systems

Biologics Market Growth Drivers

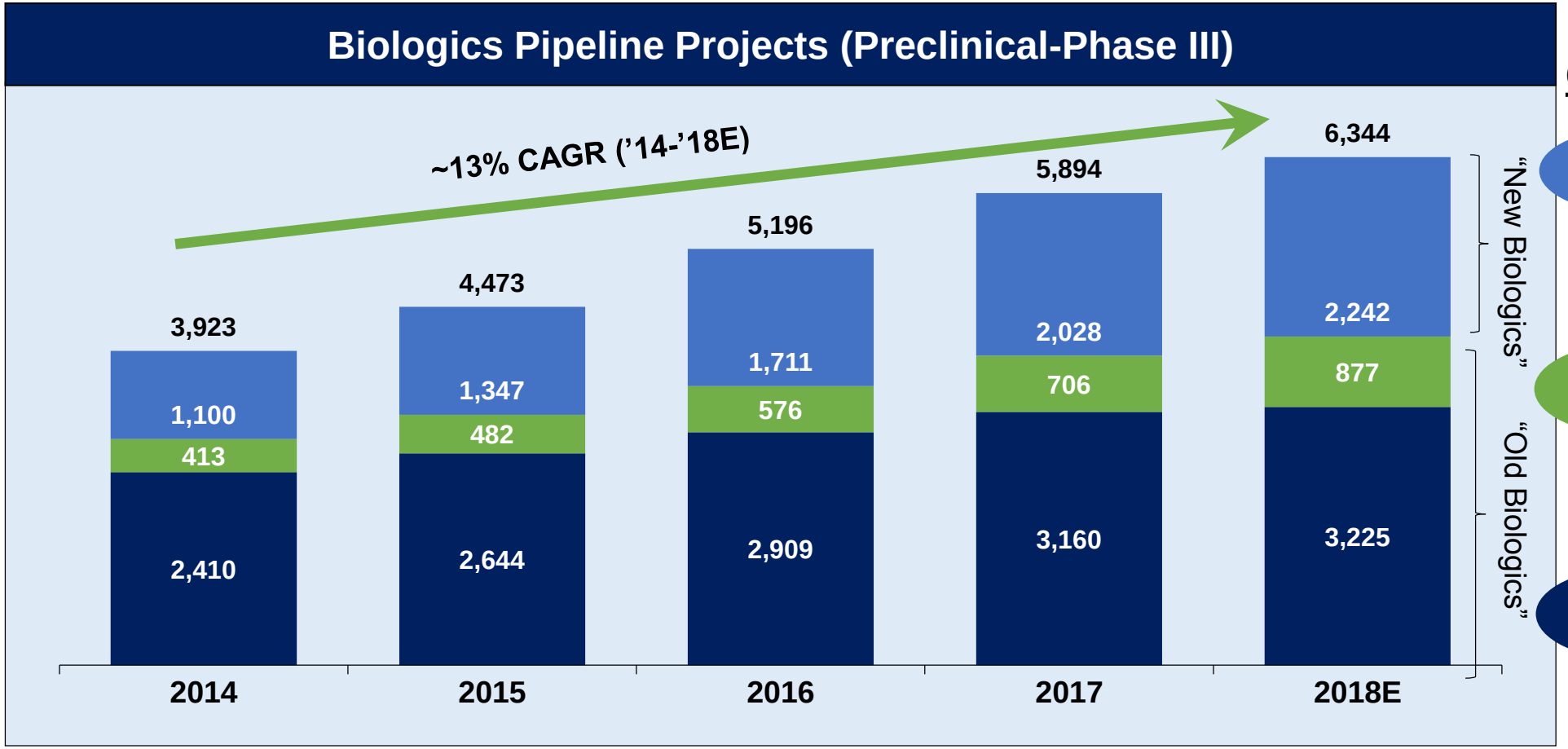
- Most biopharmas and CMOs lack the infrastructure to perform complex analytical testing
  - Drives demand for outsourcing
- Biotechs are increasingly turning to CROs like CRL to provide these critical and highly complex analytical and biosafety testing services
- Cost considerations, capacity constraints, and increasing number of biologics being developed by virtual and small biotechs will continue to drive the use of outsourced services

Biologics Market Growth Drivers, cont.

- The increase in biologics/biosimilars in development, in conjunction with an increasing trend toward outsourcing, are driving testing demand
  - "New Biologics" is a major growth area in North America and Europe
    - Includes cell, gene, and stem cell therapies, and viral vaccines
  - "Old Biologics" includes monoclonal antibodies (mAbs), recombinant proteins, and traditional vaccines
    - "Old" innovator (or novel) biologics represent a large and more mature manufacturing/testing area in North America and Europe
    - "Old" biologics growth driven by biosimilar development in Asia/ROW

Significant Biologics Market Growth

Biologics market is growing in the low-double digits, primarily driven by cell/gene therapy and biosimilar projects



CAGR%

20% — **Cell/Gene Therapy**
Emerging R&D trend; Robust growth

21% — **Biosimilars**
Smaller opportunity; Strong growth

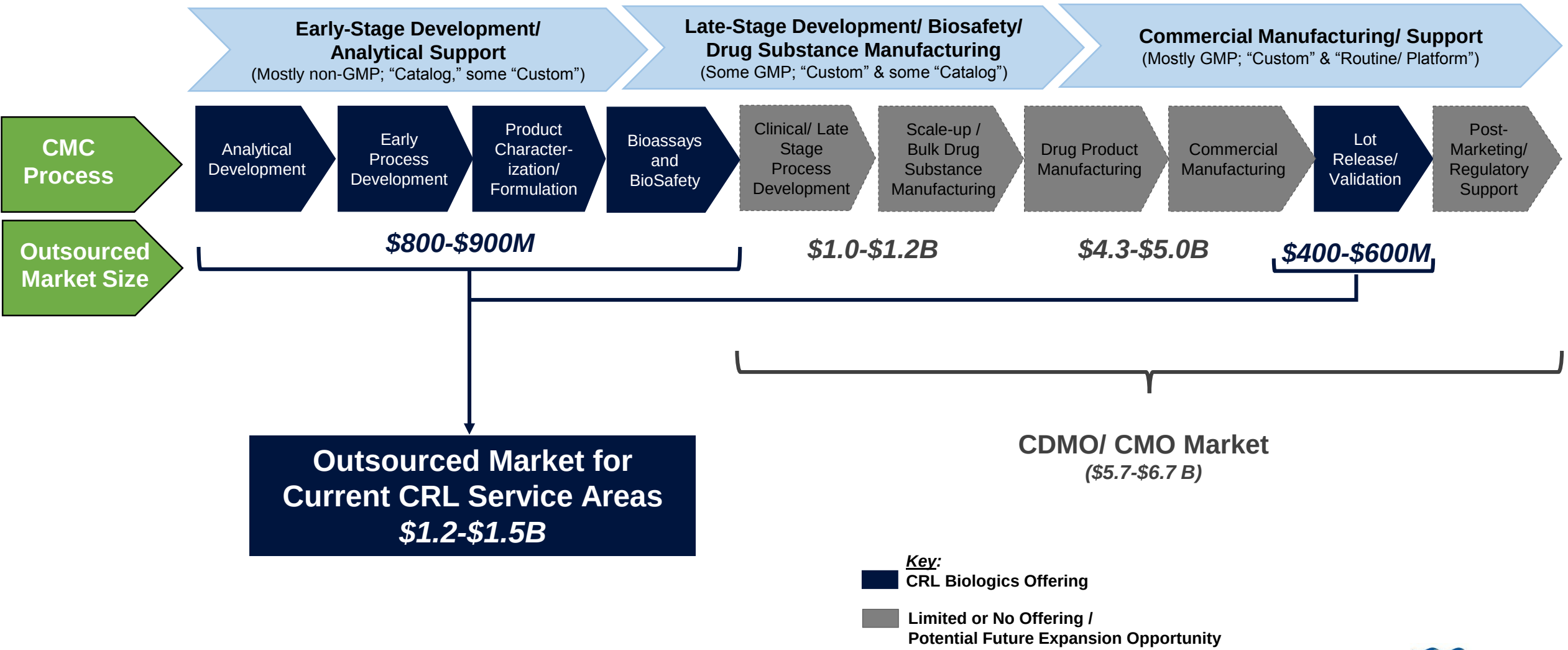
8% — **Innovator mAbs**
Strong but slowing growth

Source: Citeline, Visiongain CG&T Report 2018, Biopharma International, Biosimilarpipeline.com, managedcaremag.com, Bioprocess Int. Jrnl., BPTC estimates, CRL management estimates.

Biologics Market Environment

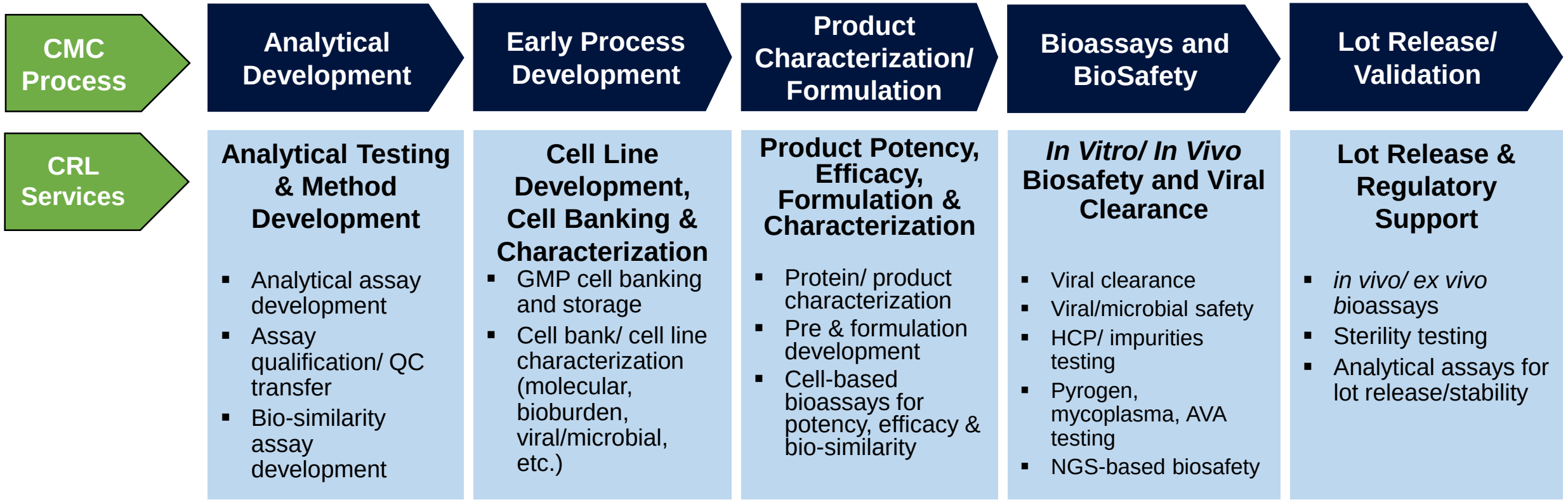
- Clients increasingly look for "**end-to-end**" sourcing solutions, driven by large pharma's vendor reduction mandates and small biotech's "one-stop-shopping" model
  - CRL is becoming a "one-stop-shop" CRO
- Fragmented competitive landscape
  - Six global full-service providers including CRL
  - Another 6-7 competitors in tier two, with incomplete portfolios
  - Many smaller/ niche competitors
- Client base:
  - Pharma/ Biotech
  - Government
  - Contract Manufacturing Organizations (CMOs)

Biologics Market Opportunity



Source: Public databases, CRL management estimates, BPTC analysis

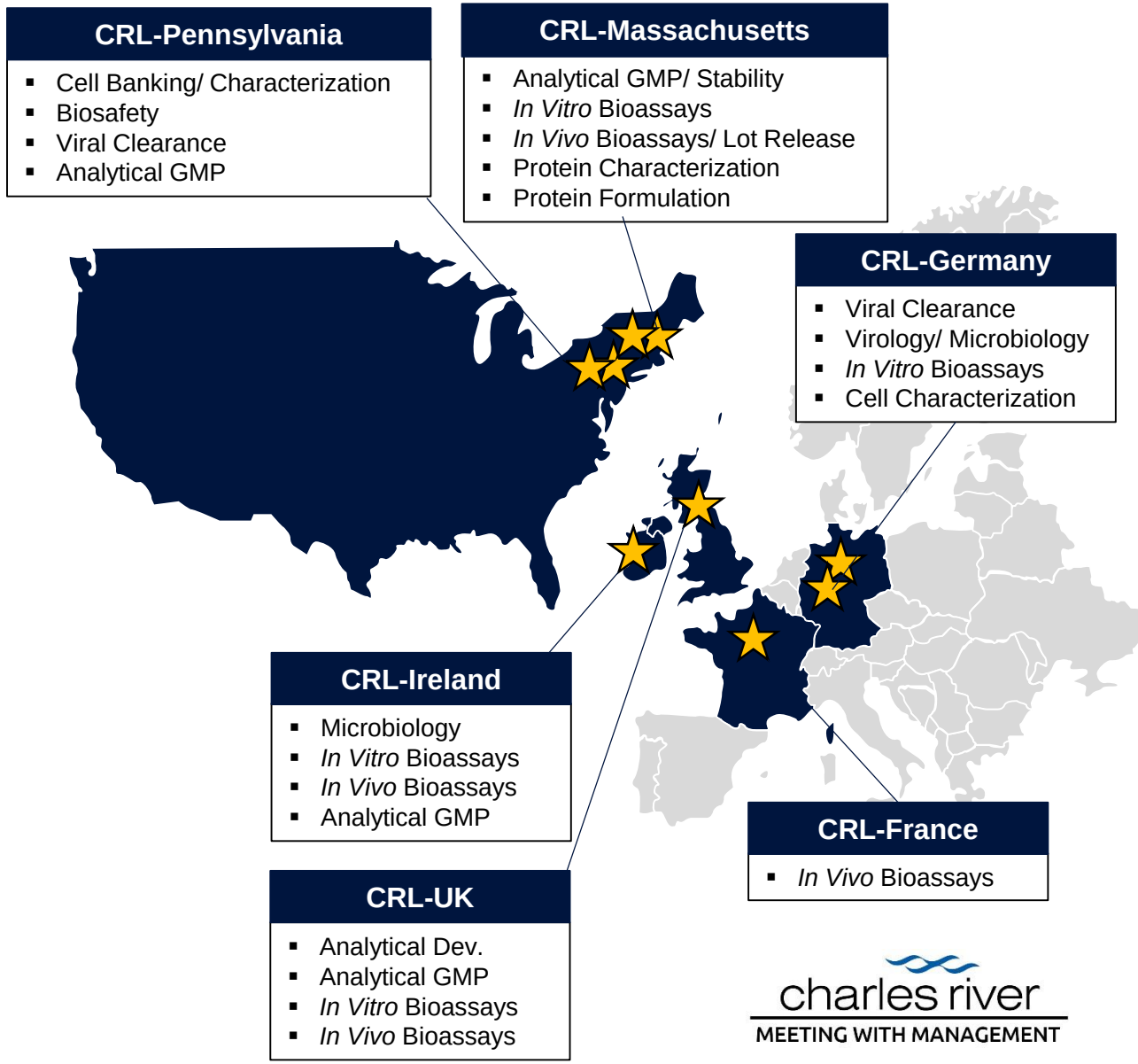
CRL's Comprehensive Biologics Portfolio



Strong and expanding service portfolio, with best-in-class quality and industry-leading scientific and regulatory expertise

Global Footprint Proximate to Clients

- Ongoing **capacity expansions** in U.S. and Europe (Ireland & Germany) to accommodate increasing client demand
  - Rapid increase in demand for our services causing capacity constraints and driving the need for new space
- Significant expansion in Pennsylvania
  - Plan to open a new facility near our existing Pennsylvania site
  - GMP facility will consolidate cell line characterization, biosafety, and viral clearance
  - Intend to transition certain laboratory operations to the new site at a measured pace through 2019
  - Provides capacity to support U.S. growth for next 3-5 years
- Future capacity expansions planned across multiple locations



Biologics Growth Strategy

Continue to build full-service testing portfolio

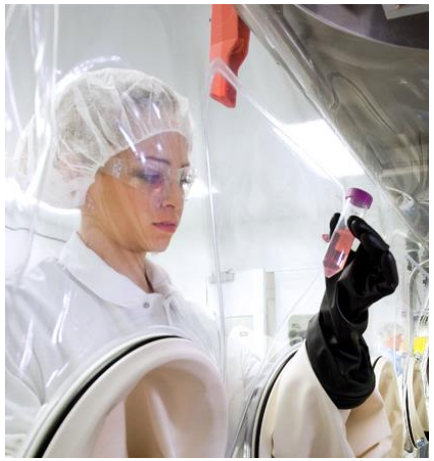
Focus on fast turnaround time and regulatory compliance

Enhance industry-leading scientific and regulatory expertise

Leverage the broader CRL portfolio and client relationships

Expand global footprint with increasingly harmonized service standards

Maintain and enhance reputation for best–in-class service and customized solutions



Goal to achieve global market leadership and maintain revenue growth >10%

Research Models and Services

Colin Dunn, Ph.D.
Corporate Senior Vice President,
Global Research Models & Services

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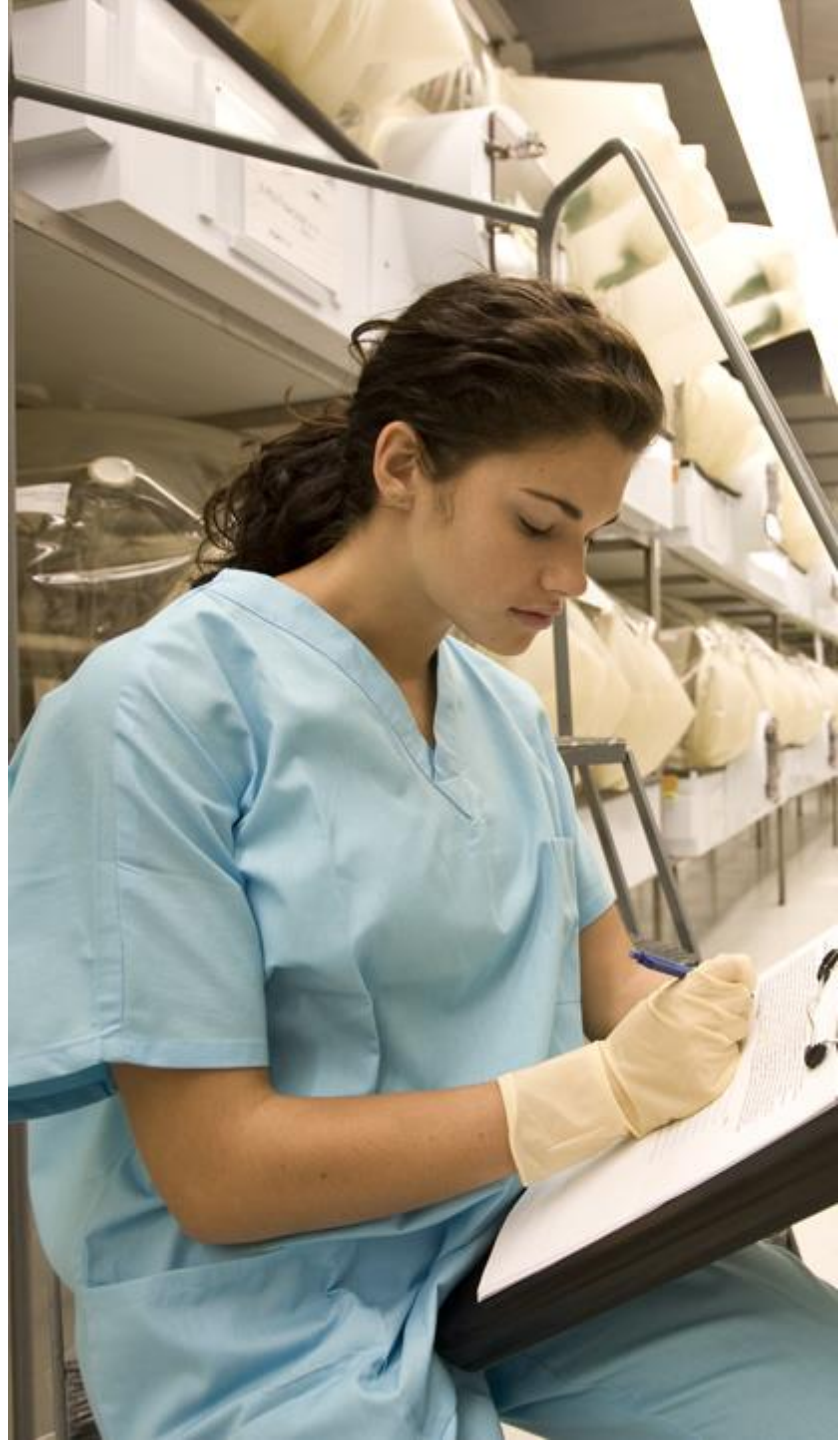
MEETING WITH MANAGEMENT

Importance of Research Models & Services

- Research models are critical tools that enable researchers to answer fundamental questions about the efficacy and safety of drugs
- Used across multiple drug research disciplines (fundamental research, discovery, safety assessment), therapeutic areas, client types, and in all geographic regions
- Services to support the use of research models offer investigators a set of tools for the creation, qualification, scale up, or refinement of models as novel genes or pathways are identified
- Believe research models will remain an essential, regulatory-required, low-cost, scientific tool for drug research



RMS Business Overview

Global leader in breeding and distribution of research models and the services which support their use in discovery/ development of new molecules

Research Models

- VAF/Plus® and VAF/Elite® status
- Inbred, outbred, and hybrid models
- Immunodeficient models
- Disease models
- Humanized models

GEMS/RADS

- Creation and breeding of genetically engineered models
- Genetic testing services
- Infectious disease diagnostics

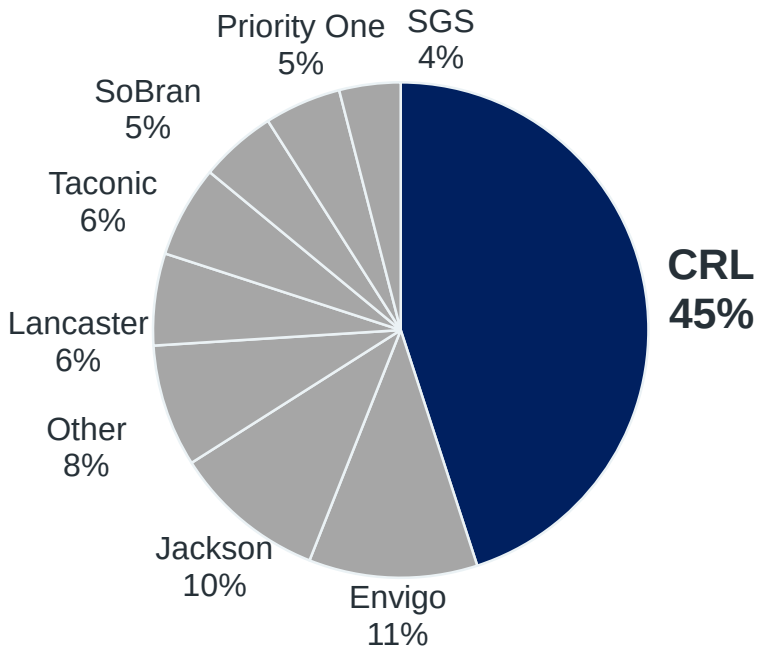
Insourcing Solutions

- Vivarium management and laboratory support services
- Flexible solutions to address clients' research needs

RMS Global Market & Growth Drivers

- CRL continues to maintain and expand its leading position
  - **~1 of every 2** research models sold globally comes from CRL
  - Market leader for research models services
- CRL's long-term RMS revenue growth expected to be in the **low-single digits** annually
  - Growth drivers:
    - Robust double-digit growth in **China**
    - Modest **RM price increases** annually
    - Continued growth in **RM Services**
  - Offset by modest unit volume declines in mature markets outside of China
    - **Large biopharma infrastructure consolidation**
    - **Targeted research** resulting in more efficient study designs
    - Use of **innovative screening technologies**

RMS Market Share (~$1.1B market)



Source: CRL management estimates.

RMS Business Trends

Market Trend	Impact	Opportunity	Outcome
Pharma Consolidation	Declining demand for models used in small-molecule pharmacology (i.e. common outbred models)	Additional outsourcing opportunities for RM Services (and DSA)	Service businesses expand, but do not fully offset lower RM unit volume & profitability
New Technologies in Biosciences		Increased demand for models in oncology; Increasing complexity of research using humanized and other specialized models	Increasing demand from biotech clients and for GEMS business; Expanding research alliances/ partnerships
Disease Area Emphasis	Less focus on cardiovascular, respiratory, & metabolic research		
Outsourcing to CROs	DSA is largest RM client by unit volume *(>5% total global RM volume YTD June 2018)*	Increased demand from CROs for a wide range of models	Growing CRO client segment
Evolution of China Market	Significant R&D investment in China gov't & industry	Expand CRL presence in China	Double-digit revenue growth in China since market entry in '13

China RMS Expansion

Northwest China
- *Monitoring*

Northeast Area
- *Monitoring*

Beijing
- Current core of production at two key centers with services offered at third site

Shanghai
- Current production at two key centers; significant expansion ongoing; expect half of total China volume from Shanghai production
- Leverage to expand service offering

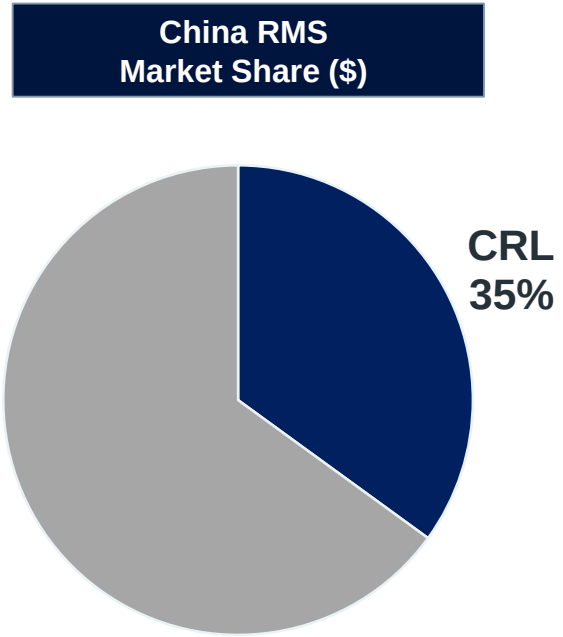
West China
- Future expansion opportunity

Central China
- Future expansion opportunity

Shenzhen
- Future expansion opportunity

China RMS Expansion Drivers

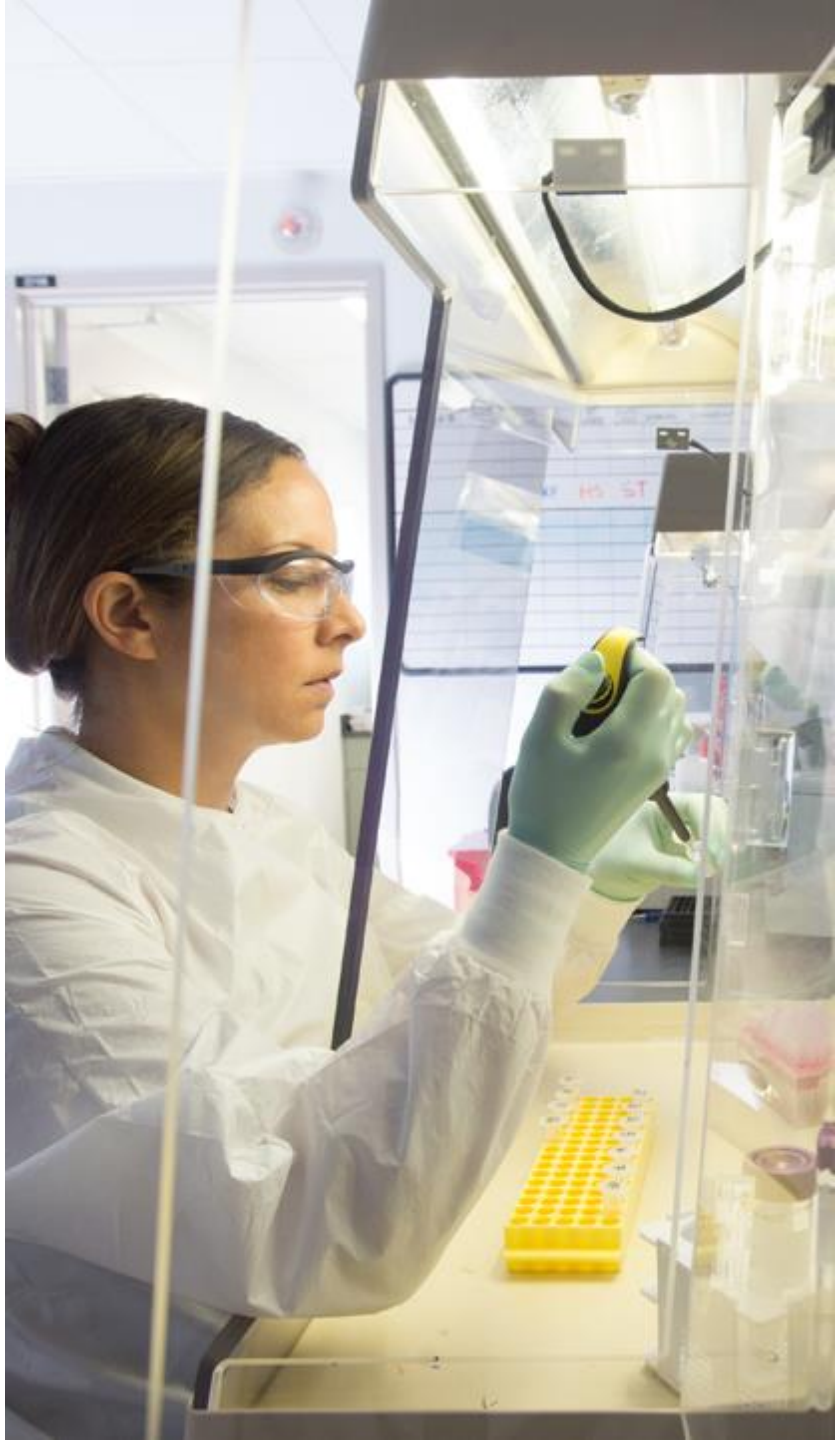
- Beijing and Shanghai are major, expanding R&D hubs for both global biopharma and local institutions
  - R&D hubs also emerging in western China
  - Believe **geographic expansion** is key to continued CRL market share gains
- Increased support for biopharma spending in China
  - China government plans to spend **>6% of GDP** on healthcare
  - **Reform of SFDA to** facilitate faster drug approvals
  - Continued growth of R&D in high-tech sectors
  - **Double-digit growth** of **pharma manufacturing**
  - Local biotech and pharma increasingly profitable
- Robust market growth fueled by demand for quality research models



China expected to be CRL's largest research model market by unit volume in 2019; RMS revenue in China expected to surpass Europe within five years

RM Services Growth Opportunity

- Scientific innovation propelling the complexity of drug research
  - Clients utilizing higher proportion of specialty models
    - Inbred models for genetic modification, investigating gene function, or qualifying drug targets
    - Immuno-deficient models for oncology research
  - Leveraging innovative technologies such as CRISPR
- Driving increased use and outsourcing of RM Services
  - Breeding and creation of complex models benefits from the expertise of our GEMS business
    - Use of CRISPR resulting in faster, cost-effective creation of genetically engineered models (often multiple modifications required)
  - Additional health monitoring required from our RADS business
  - **Insourcing Solutions** offers clients a variety of flexible solutions
    - Enhances the efficiency of their vivarium management and research



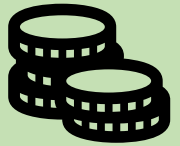
Global RMS Strategic Imperatives

China Expansion

Maintain market leadership position in China
- Unsurpassed regional footprint
- Valued partner across all client segments

Value through Productivity/ Data

Focus on optimizing operational effectiveness to maintain operating margin in high-20% range
- Increase automation globally
- Leverage data to optimize production and supply chain management
- Enhanced data analytics to support refined pricing models



Digital Enterprise and Client Experience

Invest in technology to enhance speed and responsiveness to clients
- Inventory optimization for RM
- Purpose-built IT platforms for services to enhance real-time access to client data

Tools & Translational Technologies

Broad portfolio to support evolving basic and translational research needs
- Global model creation platform
- Microbiome/germ-free portfolio
- Humanized models
- Biospecimens – human/animal

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		Six Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Research Models and Services				
Revenue	$ 130,426	$ 124,002	$ 264,384	$ 251,163
Operating income	34,245	33,594	72,772	71,284
Operating income as a % of revenue	26.3 %	27.1 %	27.5 %	28.4 %
Add back:				
Amortization related to acquisitions	408	369	817	805
Severance	220	—	743	—
Government billing adjustment and related expenses	—	57	—	150
Site consolidation costs, impairments and other items	69	—	584	—
Total non-GAAP adjustments to operating income	$ 697	$ 426	$ 2,144	$ 955
Operating income, excluding non-GAAP adjustments	$ 34,942	$ 34,020	$ 74,916	$ 72,239
Non-GAAP operating income as a % of revenue	26.8 %	27.4 %	28.3 %	28.8 %
Depreciation and amortization	$ 4,901	$ 4,945	$ 9,754	$ 10,037
Capital expenditures	$ 5,314	$ 4,404	$ 9,939	$ 7,007
Discovery and Safety Assessment				
Revenue	$ 346,416	$ 252,092	$ 606,408	$ 479,850
Operating income	56,623	51,335	97,482	89,670
Operating income as a % of revenue	16.3 %	20.4 %	16.1 %	18.7 %
Add back:				
Amortization related to acquisitions	16,051	6,905	23,592	14,505
Severance	1,197	76	943	272
Acquisition related adjustments [3]	767	824	1,197	1,527
Site consolidation costs, impairments and other items	—	150	(143)	559
Total non-GAAP adjustments to operating income	$ 18,015	$ 7,955	$ 25,589	$ 16,863
Operating income, excluding non-GAAP adjustments	$ 74,638	$ 59,290	$ 123,071	$ 106,533
Non-GAAP operating income as a % of revenue	21.5 %	23.5 %	20.3 %	22.2 %
Depreciation and amortization	$ 31,043	$ 18,965	$ 51,830	$ 38,334
Capital expenditures	$ 10,894	$ 7,102	$ 23,696	$ 15,425
Manufacturing Support				
Revenue	$ 108,459	$ 93,035	$ 208,479	$ 183,879
Operating income	34,115	29,043	62,638	55,643
Operating income as a % of revenue	31.5 %	31.2 %	30.0 %	30.3 %
Add back:				
Amortization related to acquisitions	2,281	2,544	4,599	5,246
Severance	—	247	870	1,068
Acquisition related adjustments [3]	15	—	15	26
Site consolidation costs, impairments and other items	—	—	159	—
Total non-GAAP adjustments to operating income	$ 2,296	$ 2,791	$ 5,643	$ 6,340
Operating income, excluding non-GAAP adjustments	$ 36,411	$ 31,834	$ 68,281	$ 61,983
Non-GAAP operating income as a % of revenue	33.6 %	34.2 %	32.8 %	33.7 %
Depreciation and amortization	$ 5,868	$ 5,787	$ 11,604	$ 11,749
Capital expenditures	$ 3,188	$ 1,939	$ 10,022	$ 4,231

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)

	Three Months Ended		Six Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
CONTINUED FROM PREVIOUS SLIDE				
Unallocated Corporate Overhead	$ (48,273)	$ (32,286)	$ (88,353)	$ (65,205)
Add back:				
Severance	659	—	659	—
Acquisition related adjustments [3]	11,033	1,192	13,897	1,213
Total non-GAAP adjustments to operating expense	$ 11,692	$ 1,192	$ 14,556	$ 1,213
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (36,581)	$ (31,094)	$ (73,797)	$ (63,992)
Total				
Revenue	$ 585,301	$ 469,129	$ 1,079,271	$ 914,892
Operating income	$ 76,710	$ 81,686	$ 144,539	$ 151,392
Operating income as a % of revenue	13.1 %	17.4 %	13.4 %	16.5 %
Add back:				
Amortization related to acquisitions	18,740	9,818	29,008	20,556
Severance	2,076	323	3,215	1,340
Acquisition related adjustments [3]	11,815	2,016	15,109	2,766
Government billing adjustment and related expenses	—	57	—	150
Site consolidation costs, impairments and other items	69	150	600	559
Total non-GAAP adjustments to operating income	$ 32,700	$ 12,364	$ 47,932	$ 25,371
Operating income, excluding non-GAAP adjustments	$ 109,410	$ 94,050	$ 192,471	$ 176,763
Non-GAAP operating income as a % of revenue	18.7 %	20.0 %	17.8 %	19.3 %
Depreciation and amortization	$ 43,396	$ 31,799	$ 76,606	$ 64,210
Capital expenditures	$ 21,213	$ 15,997	$ 48,939	$ 31,917

(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		Six Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Net income attributable to common shareholders	$ 53,709	$ 53,952	$ 106,340	$ 100,730
Less: Income (loss) from discontinued operations, net of income taxes	1,529	(71)	1,506	(75)
Net income from continuing operations attributable to common shareholders	52,180	54,023	104,834	100,805
Add back:				
Non-GAAP adjustments to operating income	32,700	12,364	47,932	25,371
Write-off of deferred financing costs and fees related to debt refinancing	1,799	—	5,060	—
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	(7,341)	(4,035)	(10,992)	(8,699)
Net income from continuing operations attributable to common shareholders,	$ 79,338	$ 62,352	$ 146,834	$ 124,905
Weighted average shares outstanding - Basic	48,198	47,591	47,992	47,569
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units and restricted	845	751	974	835
Weighted average shares outstanding - Diluted	49,043	48,342	48,966	48,404
Earnings per share from continuing operations attributable to common				
Basic	$ 1.08	$ 1.14	$ 2.18	$ 2.12
Diluted	$ 1.06	$ 1.12	$ 2.14	$ 2.08
Basic, excluding non-GAAP adjustments	$ 1.65	$ 1.31	$ 3.06	$ 2.63
Diluted, excluding non-GAAP adjustments	$ 1.62	$ 1.29	$ 3.00	$ 2.58

(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.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP REVENUE GROWTH

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

For the three months ended June 30, 2018	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	24.8 %	5.2 %	37.4 %	16.6 %
Increase due to foreign exchange	(2.6)%	(3.2)%	(2.0)%	(3.5)%
Contribution from acquisitions [2]	(15.1)%	—%	(28.1)%	—%
Non-GAAP revenue growth, organic [4]	**7.1 %**	**2.0 %**	**7.3 %**	**13.1 %**

For the six months ended June 30, 2018	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	18.0 %	5.3 %	26.4 %	13.4 %
Increase due to foreign exchange	(3.7)%	(4.2)%	(2.9)%	(4.7)%
Contribution from acquisitions [2]	(8.2)%	—%	(15.7)%	—%
Impact of CDMO divestiture [3]	0.2 %	—%	—%	1.1 %
Non-GAAP revenue growth, organic [4]	**6.3 %**	**1.1 %**	**7.8 %**	**9.8 %**

(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) 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 (from continuing operations)	REVISED	PRIOR
Revenue growth, reported	19% - 21%	18% - 20%
Less: Contribution from acquisitions (1)	(10% - 11%)	(9.5% - 10.5%)
Less: Favorable impact of foreign exchange	(~2%)	(~3%)
Revenue growth, organic (2)	7% - 8%	5.7% - 6.7%
GAAP EPS estimate	$4.30-$4.45	$4.22-$4.37
Amortization of intangible assets (3)	$1.00-$1.10	$1.00-$1.10
Charges related to global efficiency initiatives (4)	$0.05	$0.09
Acquisition-related adjustments (5)	$0.44	$0.41
Non-GAAP EPS estimate	$5.85 - $6.00	$5.77 - $5.92

Footnotes to Guidance Table:

(1) The contribution from acquisitions reflects only those acquisitions 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 $0.40-$0.50 for the impact of the MPI Research acquisition based on the preliminary purchase price allocation.

(4) These charges relate primarily to the Company's planned efficiency initiatives. These charges primarily include severance and other costs. 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		Six Months Ended		Fiscal Year Ended
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017	December 29, 2018E
Net cash provided by operating activities	$ 123,872	$ 100,324	$ 183,923	$ 134,353	$380,000-$390,000
Addback: Tax impact of CDMO divestiture (2)	--	5,800	--	6,500	--
Less: Capital expenditures	(21,213)	(15,997)	(48,939)	(31,917)	(~120,000)
Free cash flow	$ 102,659	$ 90,127	$ 134,984	$ 108,936	$260,000-$270,000

(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 TO NON-GAAP REVENUE GROWTH, ORGANIC (UNAUDITED)
EXCLUDING THE IMPACT OF FOREIGN EXCHANGE, ACQUISITIONS, CDMO DIVESTITURE, GOVERNMENT BILLING ADJUSTMENT, AND 53rd WEEK

	Twelve Months Ended			
	December 30, 2017	**December 31, 2016**	**December 26, 2015**	**December 27, 2014**
Revenue growth, reported	10.5%	23.3%	5.1%	11.3%
Impact of foreign exchange	-	1.5%	5.3%	0.1%
Impact of government billing adjustment	-	-	-	(0.1%)
Impact of acquisitions	(6.0%)	(15.8%)	(4.0%)	(6.3%)
Impact of CDMO divestiture	0.8%	-	-	-
Impact of 53rd week	1.4%	(1.3%)	-	-
Non-GAAP revenue growth, organic	**6.7%**	**7.7%**	**6.5%**	**5.0%**

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.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP OPERATING INCOME (1)
(dollars in thousands)

	Twelve Months Ended			
	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014
Revenue	$ 1,857,601	$ 1,681,432	$ 1,363,302	$ 1,297,662
Add back: Government billing adjustment	—	—	—	—
Non-GAAP revenue	$ 1,857,601	$ 1,681,432	$ 1,363,302	$ 1,297,662
Operating income	$ 287,498	$ 237,419	$ 206,449	$ 177,670
Operating income as a % of revenue	15.5 %	14.1 %	15.1 %	13.7 %
Add back:				
Amortization related to acquisitions	41,370	42,746	29,374	25,957
Severance and executive transition costs	3,278	8,472	6,173	7,792
Acquisition-related adjustments (2)	6,687	21,887	14,513	6,688
Government billing adjustment and related expenses	150	634	477	848
Operating losses (3)	—	—	5,517	2,600
Site consolidation costs, impairments and other items	18,645	11,849	2,240	7,136
Total non-GAAP adjustments to operating income	$ 70,130	$ 85,588	$ 58,294	$ 51,021
Operating income, excluding non-GAAP adjustments	$ 357,628	$ 323,007	$ 264,743	$ 228,691
Non-GAAP operating income as a % of revenue	19.3 %	19.2 %	19.4 %	17.6 %

(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,

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

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**
Net income attributable to common shareholders	$ 123,355	$ 154,765	$ 149,313	$ 126,698
Less: Income (loss) from discontinued operations, net of income taxes	(137)	280	(950)	1,726
Net income from continuing operations attributable to common shareholders	123,492	154,485	150,263	128,424
Add back:				
Amortization related to acquisitions	41,370	42,746	29,374	25,957
Severance and executive transition costs	3,278	8,472	6,173	7,792
Operating losses (2)	—	—	5,517	2,600
Acquisition-related adjustments (3)	6,687	22,702	14,513	6,688
Government billing adjustment and related expenses	150	634	477	848
Site consolidation costs, impairments and other items	18,645	11,849	2,240	7,136
Gain on divestiture of CDMO business	(10,577)	—	—	—
Write-off of deferred financing costs and fees related to debt financing	—	987	721	—
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)	—	—	—
Tax effect of non-GAAP adjustments:				
Tax effect from U.S. Tax Reform (7)	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)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 255,963	$ 218,919	$ 179,335	$ 164,458
Weighted average shares outstanding - Basic	47,481	47,014	46,496	46,627
Effect of dilutive securities:				
Stock options, restricted stock units, performance stock units, and contingently issued restricted stock	1,083	944	1,138	931
Weighted average shares outstanding - Diluted	48,564	47,958	47,634	47,558
Earnings per share from continuing operations attributable to common shareholders				
Basic	$ 2.60	$ 3.28	$ 3.23	$ 2.76
Diluted	$ 2.54	$ 3.22	$ 3.15	$ 2.70
Basic, excluding non-GAAP adjustments	$ 5.39	$ 4.66	$ 3.86	$ 3.53
Diluted, excluding non-GAAP adjustments	$ 5.27	$ 4.56	$ 3.76	$ 3.46

(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 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 FREE CASH FLOW (NON-GAAP) (1)

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

(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,

(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 TAX RATE TO NON-GAAP TAX RATE [1]
(Dollars in thousands)

	Twelve Months Ended			
	December 27, 2014	December 26, 2015	December 31, 2016	December 30, 2017
Income from continuing operations before income taxes & noncontrolling interest	$ 177,595	$ 195,428	$ 222,921	$ 296,955
Add back:				
Amortization of intangible assets related to acquisitions	25,957	29,374	42,746	41,370
Severance related to cost-savings actions	7,792	6,173	8,472	3,278
Government billing adjustment and related expenses	848	477	634	150
Impairment and other items [2]	7,109	2,240	11,849	18,645
Operating losses [3]	2,627	5,517		
Gain on CDMO divestiture				(10,577)
Costs associated with the evaluation and integration of acquisitions	6,688	14,513	22,702	6,687
Reversal of an indemnification asset associated with acquisition and corresponding interest (4)	-	10,411	54	
Write-off of deferred financing costs and fees related to debt refinancing	-	721	987	(277)
Debt forgiveness associated with a prior acquisition (6)				(1,863)
Gain on bargain purchase (5)		(9,837)	15	
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 228,616	$ 255,017	$ 310,380	$ 354,368
Provision for income taxes	$ 47,671	$ 43,391	$ 66,835	$ 171,369
Tax effect from U.S. Tax Reform (7)				(78,537)
Tax effect from CDMO divestiture				(17,705)
Tax effect from reversal of uncertain tax position associated with acquisition and corresponding interest (4)		10,411		
Tax effect on amortization, severance and other charges	14,987	20,106	23,025	21,184
Provision for income taxes (Non-GAAP)	$ 62,658	$ 73,908	$ 89,860	$ 96,311
Tax rate (GAAP)	26.8%	22.2%	30.0%	57.7%
Tax rate, excluding specified charges (Non-GAAP)	27.4%	29.0%	29.0%	27.2%

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.

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)

	June 30, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013
DEBT (2):						
Total Debt & Capital Leases	$ 1,827,797	$ 1,145,104	$ 1,235,009	$ 863,031	$ 777,863	$ 663,789
Plus: Other adjustments per credit agreement	$ 2,880	$ 298	$ 3,621	$ 1,370	$ 2,828	$ 9,787
Total Indebtedness per credit agreement	$ 1,830,677	$ 1,145,402	$ 1,238,630	$ 864,401	$ 780,691	$ 673,576
Less: Cash and cash equivalents	(192,300)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)
Net Debt	$ 1,638,377	$ 981,608	$ 1,121,004	$ 746,454	$ 620,668	$ 517,649

	Twelve Months Ended					
	June 30, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013
ADJUSTED EBITDA (2):						
Net income attributable to common shareholders	$ 128,964	$ 123,355	$ 154,765	$ 149,313	$ 126,698	$ 102,828
Adjustments:						
Less: Aggregate non-cash amount of nonrecurring gains	—	—	(685)	(9,878)	(2,048)	—
Plus: Interest expense	45,225	29,777	27,709	15,072	11,950	20,969
Plus: Provision for income taxes	145,785	171,369	66,835	43,391	46,685	32,142
Plus: Depreciation and amortization	143,555	131,159	126,658	94,881	96,445	96,636
Plus: Non-cash nonrecurring losses	18,107	17,716	6,792	10,427	1,615	4,202
Plus: Non-cash stock-based compensation	46,835	44,003	43,642	40,122	31,035	24,542
Plus: Permitted acquisition-related costs	19,031	6,687	22,653	13,451	6,285	1,752
Plus: Pro forma EBITDA adjustments for permitted acquisitions	51,744	690	18,573	9,199	10,787	—
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 599,246	$ 524,756	$ 466,942	$ 365,978	$ 329,452	$ 283,071

	June 30, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013
LEVERAGE RATIO:						
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	3.05x	2.2x	2.7x	2.4x	2.4x	2.4x
Net leverage ratio (net debt divided by adjusted EBITDA)	2.7x	1.9x	2.4x	2.0x	1.9x	1.8x

(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.

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MEETING WITH MANAGEMENT