4Q22/FY22 Regulation G Financial Reconciliations



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

(in thousands, except percentages)

December 31, 2022 December 25, 2021 December 25, 2021 December 25, 2021 Research Models and Services \$ 196,100 \$ 165,575 \$ 793,175 \$ 000,437 Operating income 37,111 40,188 160,410 166,837 160,410 166,838 Adh back: 37,111 40,188 160,410 20,364 20,104 Severace $$ 1,007 7 3,420 1,576 20,364 20,104 Severace $$ $-$ 1,017 7 3,420 1,576 21,876 Operating income exal % of revence 5 7,327 \$ 4,434 \$ 26,008 \$ 21,876 Operating income as % of revence 5 10,897 \$ 9,673 \$ 49,274 \$ 9,9123 Operating income as % of revence 5 10,897 \$ 5,41,367 \$ 2,41,316 \$ 2,107231 Operating income as % of revence 5 9,01,677 \$ 5			Three Mo	nths End	led		Twelve Mo	onths Ended	
Revenue S 196,109 S 165,375 S 739,175 S 600,431 Operating income as 1% of revenue 377,111 40,188 160,410 166,814 Operating income as 1% of revenue 189.% 24.3 % 121.7 % 24.2 % Autorization related to acquisitions 5.577 4.075 20.364 20.104 Severance - - - 1017 7 Acquisition related to acquisition related to acquisition related distiturents 10 5 44,438 \$ 25.501 \$ 11.85.01 Operating income, excluding prome-GAAP alguistments \$ 14.443 \$ 25.2 % 21.85.01 Non-GAAP operating income as a % of revenue 22.7 % 26.9 % 25.2 % 21.0 % Depreciation and amortration \$ 13.4 49 \$ 9.90.73 \$ 4.92.74 \$ 9.91.23 Operating income as a % of revenue 22.7 % 26.9 % 25.2 % 21.07.231 0.08.07 5 3.4.136 \$ 2.107.231 0.08.07		Decen	nber 31, 2022	Dec	ember 25, 2021	Dece	mber 31, 2022	Dece	mber 25, 2021
Operating income 37,111 40,188 160,410 166,814 Operating income as a % of resume 18.9 % 24.3 % 21.7 % 24.2 % Autorizition related to acquisitions 5.587 4.075 20.044 20.104 Severance - - 1.017 7 7 Acquisition related adjustments (1) 1.240 5.587 4.433 5 4.422 5 18,6011 \$ 12,867 Total ono AGAP adjustments 5 4.4438 \$ 4.4432 \$ 186,011 \$ 188,501 Non-GAAP operating income 5 13,449 \$ 9,077 \$ 44,315 \$ 44,138 \$ 44,136 \$ 18,501 \$ 12,407 \$ 39,123 \$ 18,154 \$ 44,135 \$ 44,135 \$ 21,072,31 \$ 39,123 \$ 19,01 \$ 30,34 \$ 44,135 \$ 21,072,31 \$ 21,072,31 \$ 21,072,31 \$ <td< th=""><th>Research Models and Services</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></td<>	Research Models and Services								
Operating income as $\$$ of revenue 18.9 $\$$ 24.3 $\$$ 21.7 $\$$ 24.2 $\$$ Add back 5.587 4.075 20.364 20.104 Sectrance - - 1.017 7 Acquisition related to adjustments - - 1.017 7 Total non-GAV adjustments to operating income S 7.327 S 4.4348 S 22.5 $\$$ 8 9.073 S 44.232 S 21.08 S 21.88.501 S 21.28 21.27 $\$$ 24.3 $\$$ S 9.073 S 44.136 S 21.28 21.28 21.28 21.28 21.28 21.28 21.28 21.28 21.28 21.28 21.28 21.21 21.23 21.26 22.28 21.26 22.28 21.07.231 21.07.231 21.07.231 21.07.231<	Revenue	\$	196,109	\$	165,575	\$	739,175	\$	690,437
Add back: 5.587 4.075 20.364 20.104 Amorization related to acquisitions 5.587 4.075 20.364 20.104 Scenance 1.124 3.39 4.220 1.576 Acquisition related adjustments 1.124 3.39 4.220 1.576 Operating income, a with operating income \$ 7.227 \$ 4.438 \$ 2.69% 2.52.% 2.73.% Non-GAAP operating income, a with operating income \$ 1.3449 \$ 9.673 \$ 44.135 \$ 9.123 Capital expenditures \$ 10.897 \$ 31.667 \$ 44.136 \$ 9.123 Capital expenditures \$ 091.677 \$ 54.136 \$ 2.107.231 Revenue \$ 091.677 \$ 54.136 \$ 2.107.231 Advact: 2.27% 17.8% 21.8% 19.3% Advact: 3.034 8.016 (1.975) 4.314 Acreation costa, impairments and other itema	Operating income		37,111		40,188		160,410		166,814
Amorization related to acquisitions 5.887 4.075 20.364 20.04 Severance 1.240 3.39 4.232 1.576 Total non-GAAP adjustments to operating income as a % of revence 5 7.327 5 4.434 5 22.69 25.2% 21.887 Depreciation and amorization 5 1.340 5 9.673 5 44.238 5 23.9% 25.2% 27.3% Depreciation and amorization 5 1.3449 5 9.673 5 44.136 5 $24.17.3\%$ Discovery and Safety Assessment 8 0.677 5 534.136 5 $2.107.231$ Operating income as 4% of revence 22.7% 17.8% 21.8% 10.93% Add back: 19.901 19.933 83.154 84.740 Severance $-(144)$ 4.333 1.016 Acquisition related adjustments 10 -33934 8.016 (1.975) 4.4734 Total non-GAAP adjustments 10 8 8.44137 5 40.423 5	Operating income as a % of revenue		18.9 %		24.3 %		21.7 %		24.2 %
Severace $ -$ <	Add back:								
Acquisition related adjustments $^{(1)}$ 1740 359 4220 1576 Total non-GAAP adjustments to operating income as $^{(1)}$ (Composition adjustments) \$ 14434 \$ 25.001 \$ 21.687 Operating income excluding non-GAAP adjustments \$ 44.343 \$ 44.324 \$ 25.001 \$ 21.687 Non-GAAP operating income as $^{(1)}$ of evenue 22.7% 26.0% 25.2% 27.3% Depreciation adjustments income as $^{(1)}$ of evenue \$ 13.449 \$ 9.673 \$ 49.274 \$ 39.123 Operating income as $^{(1)}$ of evenue \$ 0.6077 \$ 53.136 \$ 2.107.231 Operating income as $^{(1)}$ of evenue \$ 0.9677 \$ 53.4136 \$ 2.107.231 Operating income as $^{(1)}$ of evenue \$ 126.967 9.420 \$ 2.107.231 Advact: and other items 1 9.9677 \$ 53.4136 \$ 2.107.231 Advact: and nortization related to acquisitions 19.901 19.933 81.154 84.740 Advact: and non-intra	Amortization related to acquisitions		5,587		4,075		20,364		20,104
S 7.327 S 4.438 S 2.5001 S 2.1.687 Operating income on GAAP adjustments S 4.4.438 S 4.4.62 S 186.001 S 188.501 S 1.88.501 S 1.88.501 S 1.88.501 S 1.88.501 S 1.99.57 S 4.4.32 S 4.4.32 S 1.86.011 S 1.88.501 S 2.2.7 % 2.2.9 % 2.2.3 % 2.7.3 % 3.9.123 Depreciation and anortization S 1.3.449 S 9.673 S 4.4.136 S 6.1.188 Discovery and Safety Assessment S 0.9.677 S 3.4.166 S 2.107.231 S 2.107.231 S 3.9.123 S 1.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078 0.0.6078	Severance		_		_		1,017		7
Operating income, excluding non-GAAP adjustments \overline{s} $44,438$ \overline{s} $44,432$ \overline{s} $186,011$ \overline{s} $188,501$ Depreciation and amortization 5 $13,449$ 5 $9,673$ 5 $49,274$ 5 $39,123$ Discovery and Safety Assessment 5 $10,897$ 5 $31,667$ 5 $44,136$ 5 $61,188$ Discovery and Safety Assessment 8 $691,677$ 5 $534,136$ 5 $2,447,316$ 5 $2,107,231$ Operating income 5 $691,677$ 5 $534,136$ 5 $2,447,316$ 5 $2,107,231$ Operating income 5 $691,677$ 5 $534,136$ 5 $2,407,34$ 8 $10,901$ Add back: $22,7\%$ $17,8\%$ 21.8% $193,34$ $8,016$ $(1,975)$ $4,314$ S $10,901$ $19,933$ $8,154$ $3,894$ $8,444$ $3,849$ $2,902,85$ Non-GAAP adjustments on op	Acquisition related adjustments (2)		1,740		359		4,220		1,576
Non-GAAP operating income as a % of revenue 22.7 % 26.9 % 25.2 % 27.3 % Depreciation and amortization \$ 13.449 \$ 9.673 \$ 44.136 \$ 39.123 Capital expenditures \$ 10.897 \$ 31.667 \$ 44.136 \$ 61.188 Discovery and Safety Assessment \$ 534.136 \$ 2.447.316 \$ 2.107.231 Operating income \$ 691.677 \$ 534.136 \$ 2.447.316 \$ 2.107.231 Operating income as a % of revenue 2.2.7 % 17.8 % 21.8 % 19.3 % Add back: - (144) 433 10.16 Acquisition related adjustments ⁽¹⁾ 3.934 8.016 (1.975) 4.374 Site consolidation costs, inpairments and other items ⁽¹⁾ 3.934 8.016 5 2.92.28 Operating income as % of revenue 2.63.% 2.24.49 \$ 8.54.61 9 2.27.8 Dipreciation and amortization \$ 9.61.77 \$ 2.94.9 \$ <td>Total non-GAAP adjustments to operating income</td> <td>\$</td> <td>7,327</td> <td>\$</td> <td>4,434</td> <td>\$</td> <td>25,601</td> <td>\$</td> <td>21,687</td>	Total non-GAAP adjustments to operating income	\$	7,327	\$	4,434	\$	25,601	\$	21,687
Depreciation and amortization S 13,449 S 9,673 S 49,274 S 39,123 Capital expenditures S 10,897 S 9,673 S 44,136 S 31,186 Discovery and Safety Assessment E E E E E E S 10,897 S 534,136 S 2,447,316 S 2,107,231 Operating income S 691,677 S 534,136 S 2,447,316 S 2,107,231 Operating income S 691,677 S 534,136 S 2,407,231 9,933 83,154 84,740 Add back: 19,901 19,933 83,154 84,740 433 1016 Acquisition related dagistments and other items ⁽¹⁾ 848 8444 3,349 2,098 9,2228 9,2238 9,2238 9,2238 9,233 8,3164 84,740 3,3164 84,740 Operating income excluding non-GAAP adjustments S 181,650 S 123,616 S 85,661 S 92,228 92,205 8,35,641 <	Operating income, excluding non-GAAP adjustments	\$	44,438	\$	44,622	\$	186,011	\$	188,501
Capital expenditures \$ 10.897 \$ 31.667 \$ 44.136 \$ 61.188 Discovery and Safety Assessment Revenue \$ 691.677 \$ 534.136 \$ 2.447.316 \$ 2.107.231 Operating income as % of revenue .22.7 % 17.8 % .21.8 % .19.3 % .40.9 % <	Non-GAAP operating income as a % of revenue		22.7 %		26.9 %		25.2 %		27.3 %
	Depreciation and amortization	\$	13,449	\$	9,673	s	49,274	s	39,123
Revenue\$ $691,677$ \$ $534,136$ \$ $2,447,316$ \$ $2,107,231$ Operating income as % of revenue $156,967$ $94,967$ $532,889$ $406,978$ Add back: $17,8\%$ 21.8% 19.3% Amorization related to acquisitions $19,901$ $19,933$ $83,154$ $84,740$ Severance $$ (144) 433 $1,016$ Acquisition related adjustments $^{(1)}$ 848 844 $3,849$ $2,098$ Total non-GAAP adjustment\$ $24,683$ \$ $28,4683$ \$ $85,461$ \$Operating income as a % of revenue $26,3\%$ 23.1% 25.3% 23.7% 23.7% Depreciation and amorization\$ $44,137$ \$ $44,986$ \$ $179,9465$ \$ $177,254$ Capital expenditures\$ $212,057$ \$ $205,339$ \$ $789,569$ \$ $742,492$ Operating income as a % of revenue $26,734$ $91,673$ $167,084$ $246,390$ NamfActuring Solutions 5 $212,057$ \$ $205,339$ \$ $789,569$ \$ $742,492$ Operating income as a % of revenue $26,734$ $91,673$ $167,084$ $246,390$ $22,53\%$ $212,\%$ $332,\%$ Add back: $10,030$ $5,390$ $43,416$ $23,304$ $26,373$ $91,673$ $167,084$ $246,390$ Add back: $99,86$ $1,278$ $1,577$ $3,662$ $57,820$ $57,820$ $57,820$ $57,820$ $57,820$ Add ba	Capital expenditures	\$	10,897	\$	31,667	\$	44,136	\$	61,188
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Discovery and Safety Assessment								
Operating income as a % of revenue 22.7 % 17.8 % 21.8 % 19.3 % Add back: - - (144) 433 1016 Acquisition related adjustments ⁽¹⁾ 3.934 8016 (1.975) 4.374 Severance - (144) 433 1016 Acquisition related adjustments ⁽¹⁾ 3.934 8016 (1.975) 4.374 Ste consolidation costs, impairments and other items ⁽¹⁾ 848 844 3.849 2.098 Total non-GAAP adjustments to operating income $$2.4683$ $$2.82649$ $$$84,615$ $$$92.228$ Operating income, excluding non-GAAP adjustments $$$181,650$ $$$123,616$ $$$618,350$ $$$499,206$ Capital expenditures $$$24,637$ $$$23.1 \%$ $$$25.3 \%$ $$$212,057$ $$$23,39 \%$ $$$177,254$ Capital expenditures $$$212,057$ $$$205,339 \%$ $$$789,569 \%$ $$$742,492$ Operating income as a % of revenue $$$212,057 \%$ $$205,339 \%$ $$789,569 \%$ $$$742,492$ Add back:	Revenue	\$	691,677	\$	534,136	\$	2,447,316	\$	2,107,231
Add back: 19,901 19,933 $83,154$ $84,740$ Amorization related to acquisitions 19,901 19,933 $83,154$ $84,740$ Severance	Operating income		156,967		94,967		532,889		406,978
Amortization related to acquisitions 19,901 19,933 $83,154$ $84,740$ Severance - (144) 433 1,016 Acquisition related adjustments (³⁾ 3,934 8016 (1,975) $4,374$ Site consolidation costs, impairments and other items (³⁾ 848 844 $3,849$ $2,098$ Operating income, exoluding non-GAAP adjustments \$ $24,663$ \$ $22,664$ \$ $82,646$ \$ $92,228$ Operating income, exoluding non-GAAP adjustments \$ 181,650 \$ 123,616 \$ 618,350 \$ $499,906$ Non-GAAP operating income, exoluding non-GAAP adjustments \$ 181,650 \$ 172,645 \$ 177,254 Capital expenditures \$ 22,057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income \$ 21,2057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income \$ 21,2057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income \$ <	Operating income as a % of revenue		22.7 %		17.8 %		21.8 %		19.3 %
Severance - (144) (433) (1016) Acquisition related adjustments $^{(1)}$ 3.934 8.016 (1.975) 4.374 Site consolidation costs, impairments and other items $^{(1)}$ 848 844 3.849 2.098 Total non-GAAP adjustments to operating income \$ 24.683 \$ 28.464 \$ 6.18.350 \$ 4499.206 Operating income, excluding non-GAAP adjustments \$ 181.650 \$ 123.616 \$ 6.18.350 \$ 4499.206 Non-GAAP operating income as a % of revenue 26.3 % 23.1 % 25.3 % 23.7 % 23.7 % Depreciation and amortization \$ 44.137 \$ 44.986 \$ 179.465 \$ 177.254 Capital expenditures \$ 55.655 \$ 40.694 \$ 189.563 \$ 101.477 Manufacturing Solutions \$ 12.6 % 44.4 % 21.2 % 33.2 % Add back: 10.030 5.390 43.416 23.304 24.6330 Add back: 10.004 (25.281) 5.813 (20.437) 3.622 <td>Add back:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Add back:								
Acquisition related adjustments $^{(1)}$ 3.934 8.016 (1.975) 4.374 Site consolidation costs, impairments and other items $^{(1)}$ $\frac{8.48}{5}$ $\frac{8.48}{5}$ $\frac{8.44}{5}$ $\frac{3.934}{5}$ $\frac{8.44}{5}$ $\frac{3.934}{5}$ $\frac{2.095}{5}$ $\frac{2.095}{5}$ $\frac{9.2228}{5}$ Operating income, excluding non-GAAP adjustments \$ 181.650 \$ 123.616 \$ 618.350 \$ 992.06 Non-GAAP operating income, excluding non-GAAP adjustments \$ 44.137 \$ 44.986 \$ 179.465 \$ 177.254 Capital expenditures \$ 55.655 \$ 40.694 \$ 189.563 \$ 174.2492 Operating income \$ 212.057 \$ 205.339 \$ 789.569 \$ 742.492 Operating income 26.734 91.673 167.084 23.2% 33.2% Add back: 10.030 5.390 43.416 23.304 36.025 1.331 Total non-GAAP adjustments $^{(1)}$ 5.875 2117 5.813 (20.437) $5.227.446$ $5.27.820$	Amortization related to acquisitions		19,901		19,933		83,154		84,740
848 844 3,849 2,098 Total non-GAAP adjustments operating income \$ 24,643 \$ 28,649 \$ 8,844 3,849 2,098 Operating income, excluding non-GAAP adjustments \$ 181,650 \$ 123,616 \$ 618,350 \$ 949,206 Non-GAAP operating income as a % of revenue \$ 181,650 \$ 123,616 \$ 173,254 23,3% 23,3% 23,7% Depreciation and amortization \$ 44,137 \$ 44,986 \$ 179,465 \$ 177,254 Manufacturing Solutions \$ 212,057 \$ 205,339 \$ 789,569 \$ 742,492 0 Operating income as a % of revenue 26,734 91,673 167,084 246,390 0 23,204 33,2% 343,2% 344,416 23,304 344,416 23,304 34,466 21,2% 33,2% 34,416 23,304 34,416 23,304 34,466 33,2% 34,2,5% 34,416 23,304 <td>Severance</td> <td></td> <td>_</td> <td></td> <td>(144)</td> <td></td> <td>433</td> <td></td> <td>1,016</td>	Severance		_		(144)		433		1,016
S $24,683$ S $28,649$ S $85,461$ S $92,228$ Operating income, excluding non-GAAP adjustments S 181,650 S 123,616 S 618,350 S 499,206 Non-GAAP operating income as a % of revenue 26.3 % 23.1 % 25.3 % 23.7 % Depreciation and amortization S $44,137$ S $44,986$ S $179,465$ S $177,254$ Capital expenditures S $55,655$ S $40,694$ S $189,563$ S $101,477$ Manufacturing Solutions Revenue S $212,057$ S $205,339$ S $789,569$ S $742,492$ Operating income as a % of revenue $26,734$ $91,673$ $167,084$ $246,390$ Operating income as a % of revenue 12.6 % 44.6 % 21.2 % 33.2 % Add back: 10,030 $5,390$ $43,416$ $23,304$ $5,813$ $(20,437)$ Ste consolidation costs, impairments and other items ⁽¹⁾ 588 1.278 1.577 3.622 1.331 $5.60,356$	Acquisition related adjustments (2)		3,934		8,016		(1,975)		4,374
Operating income, excluding non-GAAP adjustments Non-GAAP operating income as a % of revenue \$ 181,650 \$ 123,616 \$ 618,350 \$ 499,206 Depreciation and amortization Capital expenditures \$ 44,137 \$ 44,986 \$ 179,465 \$ 177,254 Capital expenditures \$ 55,655 \$ 44,086 \$ 179,465 \$ 177,254 Manufacturing Solutions \$ 5212,057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income 26,734 91,673 167,084 246,390 Operating income as a % of revenue 12,6 % 44,6 % 212.9 % 33,2 % Add back: 10,004 (25,281) 5,813 (20,437) 3,622 3,23,94 3,2	Site consolidation costs, impairments and other items (3)		848		844		3,849		2,098
Non-GAP operating income as a % of revenue26.3 %23.1 %25.3 %23.7 %Depreciation and amortization\$ $26.3 %$ $23.1 %$ $25.3 %$ $23.7 %$ Depreciation and amortization\$ 44.137 \$ 44.986 \$ 179.465 \$ 177.254 Capital expenditures\$ 55.655 \$ 40.694 \$ 189.563 \$ 101.477 Manufacturing SolutionsRevenue\$ 212.057 \$ 205.339 \$ 789.569 \$ 742.492 Operating income as a % of revenue 26.734 91.673 167.084 246.390 246.396 33.2% Add back: 12.6% 44.6% 21.2% 33.2% Add back: 10.030 5.390 43.416 23.304 Acquisition related to acquisitions 10.004 (25.281) 5.813 (20.437) Site consolidation costs, impairments and other items $^{(1)}$ 5.875 217 9.556 1.331 Total non-GAAP adjustments $^{(2)}$ $5.33.601$ \$ 73.277 \$ 227.446 \$ 25.4210 Operating income excluding non-GAAP adjustments 5 53.601 \$ 73.277 \$ 227.446 \$ 254.210 Non-GAAP operating income as a % of revenue 25.3% 35.7% 28.8% 34.2% 24.2% Depreciation and amortization\$ 19.463 \$ 11.721 \$ 72.950 \$ 46.195	Total non-GAAP adjustments to operating income		24,683	\$	28,649	\$	85,461	\$	92,228
Depreciation and amortization \$ 44,137 \$ 44,986 \$ 179,465 \$ 177,254 Capital expenditures \$ 55,655 \$ 44,986 \$ 179,465 \$ 177,254 Manufacturing Solutions E E E E E E E E Manufacturing Solutions \$ 212,057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income 26,734 91,673 167,084 246,390 Operating income as a % of revenue 12.6 % 44.6 % 21.2 % 33.2 % Add back: 100,300 5,390 43,416 23,304 Severance 958 1,278 1,577 3,622 Acquisition related adjustments ⁽²⁾ 5,813 (20,437) 5,813 (20,437) Ste consolidation costs, impairments and other items ⁽¹⁾ 5,857 2,177 9,556 1,331 1,321 Total non-GAAP adjustments ⁽²⁾ 5 53,601 \$ 73,277 227,446 \$ 254,210 Non-GAAP dynatiments of revenue <	Operating income, excluding non-GAAP adjustments	\$	181,650	\$	123,616	\$	618,350	\$	499,206
Capital expenditures \$ 55,655 \$ 40,694 \$ 189,563 \$ 101,477 Manufacturing Solutions Revenue \$ 212,057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income one as a % of revenue 26,734 91,673 167,084 2426,390 Operating income as a % of revenue 10,001 5,390 \$ 789,569 \$ 742,492 Add back: 30,000 5,390 \$ 789,569 \$ 742,492 33,2 % Add back: 10,004 (25,281) 5,813 (20,437) 3,622 3,622 3,622 3,622 3,622 1,637 3,622 1,637 3,622 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,637 3,622 1,627 3,622 1,627 3,622 1,627 3,622 1,621 1,627	Non-GAAP operating income as a % of revenue		26.3 %		23.1 %		25.3 %		23.7 %
Manufacturing Solutions \$ 212,057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income 26,734 91,673 167,084 246,390 Operating income 26,734 91,673 167,084 246,390 Operating income as a % of revenue 12.6 % 44.6 % 21.2 % 33.2 % Add back: 44.6 % 21.2 % 33.2 % Add back: 10,004 (25,281) 5,813 (20,437) Stee consolidation costs, impairments and other items ⁽¹⁾ 5,867 \$ (10,004 (25,281) 5,5813 (20,437) Total non-GAAP adjustments to operating income \$ 26,867 \$ (10,004 (25,281) 5,5813 (20,437) Total non-GAAP adjustments to operating income \$ 26,867 \$ (10,306) \$ 60,356 \$ 7,820 Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210	Depreciation and amortization	\$	44,137	\$	44,986	\$	179,465	\$	177,254
Revenue \$ 212,057 \$ 205,339 \$ 789,569 \$ 742,492 Operating income 26,734 91,673 167,084 246,390 Operating income as a % of revenue 12.6 % 44.6 % 21.2 % 33.2 % Add back: 10,030 5,390 \$ 43,416 23,304 Severance 988 1,278 15,777 3,622 Acquisition related adjustments ⁽¹⁾ 580 12,28 5,813 (20,437) Ste consolidation costs, impairments and other items ⁽¹⁾ 5,875 217 9,556 1,331 Total non-GAAP adjustments operating income \$ 26,687 \$ 73,277 \$ 202,7446 \$ 254,240 Non-GAAP operating income as a % of revenue 25.3 % 35.7 % 28.8 % 34.2 % Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195	Capital expenditures	\$	55,655	\$	40,694	s	189,563	s	101,477
Operating income 26,734 91,673 167,084 246,390 Operating income as a % of revenue 12.6 % 44.6 % 21.2 % 33.2 % Add back:	Manufacturing Solutions								
Operating income as a % of revenue 12.6 % 44.6 % 21.2 % 33.2 % Add back: - <td>Revenue</td> <td>\$</td> <td></td> <td>\$</td> <td></td> <td>\$</td> <td></td> <td>\$</td> <td>. , .</td>	Revenue	\$		\$		\$		\$. , .
Add back: 10,030 5,390 43,416 23,304 Amortization related to acquisitions 10,030 5,390 43,416 23,304 Severance 958 1,278 1,577 3,622 Acquisition related adjustments ⁽²⁾ 10,004 (25,281) 5,813 (20,437) Site consolidation costs, impairments and other items ⁽¹⁾ 5,875 217 9,556 1,331 Total non-GAAP adjustments to operating income \$ 26,867 \$ 73,277 \$ 60,362 254,210 Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income, as % of revenue 25.3% 35.7% 28.8% 34.2% Depreciation and amortization \$ 19,463 \$ 11,721 \$ 7,2950 \$ 46,195			- ,		. ,		,		
Amortization related to acquisitions 10,030 5,390 43,416 23,304 Severance 958 1,278 1,577 3,622 Acquisition related adjustments ⁽¹⁾ 10,004 (25,281) 5,813 (20,437) Site consolidation costs, impairments and other items ⁽¹⁾ 5,875 2,17 9,555 1,331 Total non-GAAP adjustments to operating income \$ 26,867 \$ (18,396) \$ 60,362 \$ 7,820 Operating income, excluding non-GAAP adjustments \$ 35,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income as a % of revenue 25,3% 35,7% 28,8% 34,2% Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195			12.6 %		44.6 %		21.2 %		33.2 %
Severance 958 1,278 1,577 3,622 Acquisition related adjustments ⁽²⁾ 10,004 (23,281) 5,813 (20,437) Site consolidation costs, impairments and other items ⁽³⁾ 5,875 217 9,556 1,331 Total non-GAAP adjustments to operating income \$ 26,867 \$ (18,396) \$ 60,362 \$ 7,820 Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income as a % of revenue 25.3% 35.7% 28.8% 34.2% Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195	Amortization related to acquisitions		10.030		5,390		43.416		23,304
Acquisition related adjustments 10,004 (25,281) 5,813 (20,437) Site consolidation costs, impairments and other items 5,875 217 9,556 1,331 Total non-GAAP adjustments to operating income \$ 26,867 \$ 73,277 \$ 227,446 \$ 254,210 Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income, as % of revenue 25.3 % 35.7 % 28.8 % 34.2 % Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195	-		958		1.278		1.577		3.622
Site consolidation costs, impairments and other items ⁽³⁾ 5,875 217 9,556 1,331 Total non-GAAP adjustments to operating income \$ 26,867 \$ (18,396) \$ 60,362 \$ 7,820 Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income as a % of revenue 25.3 % 35.7 % 28.8 % 34.2 % Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195			10,004		(25,281)		5,813		
S 26,867 \$ (18,396) \$ 60,362 \$ 7,820 Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income as a % of revenue 25.3% 35.7% 28.8% 34.2% Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195			5,875		217		9,556		1.331
Operating income, excluding non-GAAP adjustments \$ 53,601 \$ 73,277 \$ 227,446 \$ 254,210 Non-GAAP operating income as a % of revenue 25.3 % 35.7 % 28.8 % 34.2 % Depreciation and amortization \$ 19,463 \$ 11,721 \$ 72,950 \$ 46,195		\$		\$		\$		\$	
Non-GAAP operating income as a % of revenue 25.3 % 35.7 % 28.8 % 34.2 % Depreciation and amortization \$ 19.463 \$ 11,721 \$ 72.950 \$ 46,195						-		-	
									. , .
Capital expenditures \$ 21,688 \$ 24,869 \$ 87,084 \$ 58,877	Depreciation and amortization	\$	19,463	\$	11,721	s	72,950	s	46,195
	Capital expenditures	\$	21,688	\$	24,869	\$	87,084	\$	58,877



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

(in thousands, except percentages)

	Three Months Ended					Twelve Months Ended				
		mber 31, 2022	Dece	mber 25, 2021	Dece	ember 31, 2022	Dec	ember 25, 2021		
CONTINUED FROM PREVIOUS SLIDE										
Unallocated Corporate Overhead	\$	(57,002)	\$	(54,021)	\$	(209,408)	\$	(230,320)		
Add back:										
Severance		_		224		1,061		73		
Acquisition related adjustments (2)		2,149		1,343		10,508		30,354		
Other items ⁽³⁾				39				39		
Total non-GAAP adjustments to operating expense	\$	2,149	\$	1,606	\$	11,569	\$	30,466		
Unallocated corporate overhead, excluding non-GAAP adjustments	\$	(54,853)	\$	(52,415)	\$	(197,839)	\$	(199,854)		
Total										
Revenue	\$	1,099,843	\$	905,050	\$	3,976,060	\$	3,540,160		
Operating income		163,810		172,807		650,975		589,862		
Operating income as a % of revenue		14.9 %		19.1 %		16.4 %		16.7 %		
Add back:										
Amortization related to acquisitions		35,518		29,398		146,934		128,148		
Severance		958		1,358		4,088		4,718		
Acquisition related adjustments (2)		17,827		(15,563)		18,566		15,867		
Site consolidation costs, impairments and other items (3)		6,723		1,100		13,405		3,468		
Total non-GAAP adjustments to operating income	\$	61,026	\$	16,293	\$	182,993	\$	152,201		
Operating income, excluding non-GAAP adjustments	\$	224,836	\$	189,100	\$	833,968	\$	742,063		
Non-GAAP operating income as a % of revenue		20.4 %		20.9 %		21.0 %		21.0 %		
Depreciation and amortization	\$	77,545	\$	67,241	\$	303,870	\$	265,540		
Capital expenditures	\$	89,024	\$	98,775	\$	324,733	\$	228,772		

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

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

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.



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

(in thousands, except per share data)

	Three Months Ended				Twelve Months Ended			
		nber 31, 2022	Dece	ember 25, 2021	Decei	mber 31, 2022	Dece	ember 25, 2021
Net income attributable to common shareholders Add back:	\$	187,410	\$	137,578	\$	486,226	\$	390,982
Non-GAAP adjustments to operating income (Refer to previous schedule)		61,026		16,293		182,993		152,201
Write-off of deferred financing costs and fees related to debt financing		_		_		_		26,089
Venture capital and strategic equity investment losses, net		6,707		13,142		26,775		30,419
Gain on divestitures (2)		(123,524)		(22,656)		(123,524)		(22,656)
Other ⁽³⁾		1,080		_		5,285		(2,942)
Tax effect of non-GAAP adjustments:								
Non-cash tax provision related to international financing structure (4)		1,024		1,028		4,648		4,809
Enacted tax law changes		(382)		_		(382)		10,036
Tax effect of the remaining non-GAAP adjustments		19,529		(16,936)		(11,399)		(58,404)
Net income attributable to common shareholders, excluding non-GAAP adjustments	\$	152,870	\$	128,449	\$	570,622	\$	530,534
Weighted average shares outstanding - Basic		50,906		50,471		50,812		50,293
Effect of dilutive securities:								
Stock options, restricted stock units and performance share units		471		1,084		489		1,132
Weighted average shares outstanding - Diluted		51,377		51,555		51,301		51,425
Earnings per share attributable to common shareholders:								
Basic	\$	3.68	\$	2.73	\$	9.57	\$	7.77
Diluted	\$	3.65	\$	2.67	\$	9.48	\$	7.60
Basic, excluding non-GAAP adjustments	\$	3.00	\$	2.55	\$	11.23	\$	10.55
Diluted, excluding non-GAAP adjustments	\$	2.98	\$	2.49	\$	11.12	\$	10.32

(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) Adjustments included in 2022 relate to the gain on sale of our Avian business. Adjustments included in 2021 relate to the preliminary gain on sale of our RMS Japan business as well as a gain on an immaterial divestiture.

(3) Adjustments included in 2022 primarily relate to a purchase price adjustment in connection with the 2021 divestiture of RMS Japan, a loss on the termination of a Canadian pension plan, and the reversal of an indemnification asset related to a prior acquisition. Adjustment included in 2021 relates to the finalization of an annuity purchase related to the termination of our U.S. pension plan.

⁽⁴⁾ This adjustment relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.





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

Three Months Ended December 31, 2022	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	21.5 %	18.4 %	29.5 %	3.3 %
Decrease due to foreign exchange	4.4 %	5.2 %	3.9 %	4.8 %
Contribution from acquisitions ⁽²⁾	(1.8)%	(10.1)%	%	<u> %</u>
Impact of divestitures ⁽³⁾	0.5 %	1.8 %	<u> </u>	1.2 %
Effect of 53 rd week in fiscal year 2022	(5.8)%	(4.5)%	(6.9)%	(4.0)%
Non-GAAP revenue growth, organic (4)	18.8 %	10.8 %	26.5 %	5.3 %
Twelve Months Ended December 31, 2022	Total CRL	RMS Segment	DSA Segment	MS Segment
Twelve Months Ended December 31, 2022 Revenue growth, reported	Total CRL	RMS Segment	DSA Segment	MS Segment
, ,				
Revenue growth, reported	12.3 %	7.1 %	16.1 %	6.3 %
Revenue growth, reported Decrease due to foreign exchange	12.3 % 3.5 %	7.1 % 3.3 %	16.1 % 3.3 %	6.3 % 4.4 %
Revenue growth, reported Decrease due to foreign exchange Contribution from acquisitions ⁽²⁾	12.3 % 3.5 % (2.6)%	7.1 % 3.3 % (6.5)%	16.1 % 3.3 % (0.1)%	6.3 % 4.4 % (5.9)%

(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 Company sold our Avian business on December 20, 2022. The Company sold both our RMS Japan operations and our gene therapy CDMO site in Sweden on October 12, 2021. These adjustments represent the revenue from these businesses for all applicable periods in 2022 and 2021.

⁽⁴⁾ Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures, the 53rd week, 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 30, 2023E

2023 GUIDANCE	
Revenue growth, reported	1.5% - 4.5%
Impact of divestitures/(acquisitions), net	~1.5%
Impact of 53rd week in 2022	~1.5%
Unfavorable/(favorable) impact of foreign exchange	0.0% - (0.5)%
Revenue growth, organic ⁽¹⁾	4.5% - 7.5%
GAAP EPS estimate ⁽²⁾	\$7.40 - \$8.60
Acquisition-related amortization	~\$2.00
Acquisition and integration-related adjustments ⁽³⁾	~\$0.10
Other items ⁽⁴⁾	~\$0.20
Non-GAAP EPS	\$9.70 - \$10.90

Footnotes to Guidance Table:

- ⁽¹⁾ Organic revenue growth is defined as reported revenue growth adjusted for completed acquisitions and divestitures, the 53rd week in 2022, and foreign currency translation.
- (2) GAAP earnings per share does not include third-party legal costs and other costs related to investigations by the U.S. Department of Justice into the Cambodian NHP supply chain because these costs are impractical to estimate at this time. Certain costs related to this investigation are expected to be excluded from non-GAAP results.
- (3) These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain thirdparty integration costs, and certain costs associated with acquisition-related efficiency initiatives.
- (4) These items primarily relate to charges associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure; certain third-party legal costs related to (a) environmental litigation related to the Microbial Solutions business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business; and severance and other costs related to the Company's efficiency initiatives.



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

(in thousands)

		Three Months Ended	Twelve Months Ended			
	December 31, 2022	September 24, 2022	December 25, 2021	December 31, 2022	December 25, 2021	
Income before income taxes & noncontrolling interests	\$ 244,921	\$ 123,107	\$ 163,642	\$ 622,987	\$ 480,710	
Add back:						
Amortization related to acquisitions	35,518	35,621	29,398	146,934	128,148	
Severance	958	(90)	1,358	4,088	4,718	
Acquisition related adjustments (2)	17,827	12,515	(15,563)	18,566	15,867	
Site consolidation costs, impairments and other items (3)	6,723	2,386	1,100	13,405	3,468	
Write-off of deferred financing costs and fees related to debt financing	_	_	_	—	26,089	
Venture capital and strategic equity investment losses (gains), net	6,707	(3,447)	13,142	26,775	30,419	
Gain on divestitures (4)	(123,524)	_	(22,656)	(123,524)	(22,656)	
Other ⁽⁵⁾	1,080	240		5,285	(2,942)	
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	\$ 190,210	\$ 170,332	\$ 170,421	\$ 714,516	\$ 663,821	
Provision for income taxes (GAAP)	\$ 55,815	\$ 25,495	\$ 23,815	\$ 130,379	\$ 81,873	
Non-cash tax benefit related to international financing structure (6)	(1,024)	(1,161)	(1,028)	(4,648)	(4,809)	
Enacted tax law changes	382	_	_	382	(10,036)	
Tax effect of the remaining non-GAAP adjustments	(19,529)	10,115	16,936	11,399	58,404	
Provision for income taxes (Non-GAAP)	\$ 35,644	\$ 34,449	\$ 39,723	\$ 137,512	\$ 125,432	
Total rate (GAAP)	22.8 %	20.7 %	14.6 %	20.9 %	17.0 %	
Total rate, excluding specified charges (Non-GAAP)	18.7 %	20.2 %	23.3 %	19.2 %	18.9 %	

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

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

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

(4) Adjustments included in 2022 relate to the gain on sale of our Avian business. Adjustments included in 2021 relate to the preliminary gain on sale of our RMS Japan business as well as a gain on an immaterial divestiture.

(5) Adjustments included in 2022 primarily relate to a purchase price adjustment in connection with the 2021 divestiture of RMS Japan, a loss on the termination of a Canadian pension plan, and the reversal of an indemnification asset related to a prior acquisition. Adjustment included in 2021 relates to the finalization of an annuity purchase related to the termination of our U.S. pension plan.

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



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE $^{(1)}$

(in thousands)

	Three M	onths Ended	Twelve Mo	Fiscal Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021	December 30, 2023E
GAAP Interest expense, net	\$ 34,436	\$ 11,237	\$ 58,511	\$ 73,258	\$133,000-\$137,000
Exclude:					
Write-off of deferred financing costs and fees related to debt financing			_	(26,089)	
Non-GAAP Interest expense, net	34,436	11,237	58,511	47,169	\$133,000-\$137,000
Adjustments for foreign exchange forward contract and related interest expense, net (2)	-	9,150	46,529	31,830	_
Adjusted Interest expense, net	\$ 34,436	\$ 20,387	\$ 105,040	\$ 78,999	\$133,000-\$137,000

(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) Amounts reported in total adjusted interest expense include a \$49.7 million gain on a forward contract and \$2.1 million of additional interest expense for the twelve months ended December 31, 2022; a \$9.8 million gain on a forward contract and \$0.1 million of additional interest expense for the twelve months ended December 25, 2021; and a \$34.1 million gain on a forward contract and \$0.3 million of additional interest expense for the twelve months ended December 25, 2021; and a \$34.1 million gain on a forward contract and \$0.3 million of additional interest expense for the twelve months ended December 25, 2021;



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

(dollars in thousands, except for per share data)

	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
DEBT ⁽²⁾ :											
Total Debt & Finance Leases	\$ 2,711,208	\$ 2,666,359	\$ 1,979,784	\$ 1,888,211	\$ 1,668,014	\$ 1,145,104	\$ 1,235,009	\$ 863,031	\$ 777,863	\$ 663,789	\$ 666,520
Plus: Other adjustments per credit agreement	\$ 13,431	\$ 37,244	\$ 2,328	\$ 712	\$ 3,033	\$ 298	\$ 3,621	\$ 1,370	\$ 2,828	\$ 9,787	\$ 9,680
Less: Unrestricted Cash and Cash Equivalents up to \$150M	\$ (150,000)	\$ (150,000)									
Total Indebtedness per credit agreement	\$ 2,574,639	\$ 2,553,603		\$ 1,888,924	\$ 1,671,047			\$ 864,401	\$ 780,691	,	
Less: Cash and cash equivalents (net of \$150M above)	(83,912)	(91,214)		(238,014)	(195,442)	(163,794)	(117,626)	(117,947)			
Net Debt	\$ 2,490,727	\$ 2,462,389	\$ 1,753,688	\$ 1,650,910	\$ 1,475,605	\$ 981,608	\$ 1,121,004	\$ 746,454	\$ 620,668	\$ 517,649	\$ 566,515
	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
ADJUSTED EBITDA ⁽²⁾ :											
Net income attributable to common shareholders	\$ 486,226	\$ 390,982	\$ 364,304	\$ 252,019	\$ 226,373	\$ 123,355	\$ 154,765	\$ 149,313	\$ 126,698	\$ 102,828	\$ 97,295
Adjustments:											
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	35,498	66,004									
Less: Aggregate non-cash amount of nonrecurring gains	(32,638)	(42,247)	(1,361)	(310)	_	_	(685)	(9,878)) (2,048)) —	-
Plus: Interest expense	108,870	107,224	76,825	79,586	65,258	29,777	27,709	15,072	11,950	20,969	33,342
Plus: Provision for income taxes	130,379	81,873	81,808	50,023	54,996	171,369	66,835	43,391	46,685	32,142	24,894
Plus: Depreciation and amortization	303,870	265,540	234,924	198,095	161,779	131,159	126,658	94,881	96,445	96,636	81,275
Plus: Non-cash nonrecurring losses	16,572	8,573	16,810	427	559	17,716	6,792	10,427	1,615	5 4,202	12,283
Plus: Non-cash stock-based compensation	73,617	71,461	56,341	57,271	47,346	44,003	43,642	40,122	31,035	24,542	21,855
Plus: Permitted acquisition-related costs	34,453	51,256	18,750	34,827	19,181	6,687	22,653	13,451	6,285	5 1,752	3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions	5,306	4,008	8	12,320	15,648	690	18,573	9,199	9 10,787		253
Adjusted EBITDA (per the calculation defined in compliance certificates)	\$ 1,162,153	\$ 1,004,675	\$ 848,408	\$ 684,259	\$ 591,140	\$ 524,756	\$ 466,942	\$ 365,978	\$ 329,452	\$ 283,071	\$ 274,873
	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
LEVERAGE RATIO:											
Gross leverage ratio per credit agreement (total debt divided by adjusted											
EBITDA)	2.22	2.54	2.34	2.76	2.83	2.18	2.65	2.36	5 2.37	2.38	3 2.46
Net leverage ratio (net debt divided by adjusted EBITDA)	2.1	2.5	2.1	2.4	2.5	1.9	2.4	2.0) 1.9) 1.8	3 2.1
	December 31, 2022	December 25, 2021	December 26, 2020								
INTEREST COVERAGE RATIO:	December 51, 2022	December 25, 2021	December 20, 2020								
Capital Expenditures	326,338	232,149	166.560								
Cash Interest Expense	110,731	107,389									
Cash Interest Expense Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus	110,/31	107,389	//,145								
Capital Expenditures divided by cash interest expense)	7.55x	7.19x	8.84x								

(i) 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 population stand guidance.

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

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

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



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

(in thousands)

		Three Mon	nths Ende	ed	Twelve Months Ended					
	December 31, 2022		Dece	mber 25, 2021	Decer	mber 31, 2022	December 25, 2021			
Net cash provided by operating activities	\$	234,757	\$	229,258	\$	619,640	\$	760,799		
Add back: Tax impact of Avian divestiture (2)		35,344				35,344		_		
Less: Capital expenditures		(89,024)		(98,775)		(324,733)		(228,772)		
Free cash flow	\$	181,077	\$	130,483	\$	330,251	\$	532,027		

(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 our Avian business, which is recorded in Net cash provided by 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 Avian divestiture is large, which can adversely affect the comparability of our results on a period-to-period basis.



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