2Q 2018 Results

August 8, 2018

Charles River Laboratories

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Safe Harbor Statement

Caution Concerning Forward-Looking Statements. This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “may,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements also include statements regarding our projected 2018 and other future financial performance whether reported, constant currency, organic, and/or factoring acquisitions or the divestiture of the CDMO business including, with respect to Charles River as a whole and/or any of our reporting or operating segments or business units, revenue and revenue growth rates, operating margin, earnings per share, capital expenditures, operating and free cash flow, specified costs (including unallocated corporate expenses), net interest expense, effective tax rate, average diluted share count, global efficiency initiatives, cost increases including the impact of wage adjustments, 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.

Opening Remarks

- Pleased with CRL’s performance and continued execution of our growth strategy
- Believe growth is indicative of an extremely healthy market environment and our position as the premier, early stage CRO with a unique ability to support clients from target discovery through non-clinical development
- Biotech funding from capital markets on track to reach the second highest level on record
- Clients are intensifying investments in their pipeline
  - Creating new business opportunities for CRL
  - Time is now to capitalize on these opportunities
- Believe it is incumbent upon us to continue to invest in our portfolio, our people, and our infrastructure to enhance the value that we provide to our clients and shareholders
- Investments to support robust client demand are generating intended benefits
  - Sequential improvement in 2Q18 organic revenue growth and non-GAAP operating margin
- Optimistic that our progress and favorable market conditions will continue in 2018 and beyond
  - Increased guidance for revenue growth, non-GAAP earnings per share, free cash flow this year

2Q18 Revenue

From Continuing Operations ($ in millions)	2Q18	2Q17	YOY Δ
Revenue, reported	$585.3	$469.1	24.8%
(Increase) Decrease due to FX			(2.6)%
Contribution from acquisitions			(15.1)%
Revenue growth, organic			7.1%

- Sequential improvement in both Manufacturing and RMS segments
- DSA continued to perform quite well, reporting high-single-digit organic growth
- Both biotech and global biopharmaceutical clients contributed substantially to 2Q18 revenue growth
  - Sales to academic clients also increased

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

2Q18 Operating Margin

From Continuing Operations	2Q18	2Q17	YOY Δ
GAAP OM%	13.1%	17.4%	(430) bps
Non-GAAP OM%	18.7%	20.0%	(130) bps

- Sequential non-GAAP operating margin improved 190 bps, as anticipated
  - Driven primarily by the DSA and Manufacturing segments
- YOY non-GAAP operating margin decline primarily attributable to:
  - Continued to add personnel and capacity to accommodate increasing client demand
  - Study mix in Safety Assessment (SA) business continued to be a headwind YOY
    - Mix favorable to 1Q18

2Q18 EPS

From Continuing Operations	2Q18	2Q17	YOY Δ
GAAP EPS	$1.06	$1.12	(5.4%)
Non-GAAP EPS	$1.62	$1.29	25.6%

- Significant YOY non-GAAP increase due to:
  - Venture capital (VC) investment gains
  - Contribution from the MPI acquisition
  - Lower tax rate
- VC investment gains were $0.17 in 2Q18 vs. $0.03 in 2Q17
  - Primary driver of the 2Q18 non-GAAP EPS outperformance vs. prior outlook

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

Increasing 2018 Guidance

(from Continuing Operations)

From Continuing Operations	REVISED	PRIOR
Revenue growth, reported	19%-21%	18%-20%
Contribution from acquisitions	(10%-11%)	(9.5%-10.5%)
(Increase) Decrease due to FX	(~2%)	(~3%)
Revenue growth, organic	7%-8%	5.7%-6.7%
GAAP EPS	$4.30-$4.45	$4.22-$4.37
Amortization of intangible assets	$1.00-$1.10	$1.00-$1.10
Charges related to global efficiency initiatives	$0.05	$0.09
Acquisition/divestiture-related adjustments	$0.44	$0.41
Non-GAAP EPS	$5.85-$6.00	$5.77-$5.92

- Believe that the pace of demand will accelerate in 2018
- Increasing revenue growth and EPS guidance
  - Higher EPS guidance primarily driven by better-than-expected VC investment gains
  - Pleased to be in a position to achieve low-double-digit non-GAAP EPS growth in 2018, while continuing to invest in our people, our infrastructure, and our technology in order accommodate increasing client demand

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

DSA Results – Revenue

From Continuing Operations ($ in millions)	2Q18	2Q17	YOY Δ
Revenue, reported	$346.4	$252.1	37.4%
(Increase) Decrease due to FX			(2.0)%
Contribution from acquisitions			(28.1)%
Revenue growth, organic			7.3%

- MPI exceeded our expectations in its first quarter as part of the CRL family
- Continue to benefit from strong client demand for our Discovery and SA services
- Believe this is a testament to the strength of the market environment and our premier, early-stage portfolio that enables clients to work with one CRO from target identification to IND filing
- Believe these factors will lead to high-single-digit organic revenue growth in 2018

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

DSA Results – Early Discovery

- Performance of the Discovery business strengthened in 2Q18
  - Remain very optimistic about prospects this year
- Early Discovery delivered its 79th development candidate
  - Enhancing reputation for scientific expertise in the discovery of new molecules
  - Believe this is driving demand for our services, especially with biotech clients
- Client interest was exceptionally strong across our service areas, particularly for integrated drug discovery programs
- Biotech clients rely on our scientific expertise, often beginning with target identification capabilities of our Early Discovery business and encompassing multiple DSA sites and services as the programs advance

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DSA Results – Early Discovery, cont.

- Many integrated programs begin with the target identification capabilities of our Early Discovery business, and encompass other Discovery sites as the program advances
  - Many biotech clients are virtual or have limited internal capabilities
- Currently, more than half of all integrated discovery programs span multiple discovery sites, and many are progressing into our SA business
- Successfully demonstrating to clients that working with CRL through a broader portion of the early-stage drug research process enhances the value we provide them
  - From both a scientific and a cost-effectiveness perspective

DSA Results – *in vivo* Discovery

- *in vivo* Discovery continued to performed very well, particularly in both oncology and bioanalytical services
- Demand for our oncology capabilities driven by:
  - Our clients' ability to work with a single-source partner to support discovery of their novel cancer therapeutics
  - Significant investments in oncology research
- Demand for our comprehensive suite of large and small molecule bioanalytical services continues to increase
  - Strengthened by 2016 acquisition of Agilux
- Bioanalysis is an emerging area of outsourcing, driven by the complexity of the science and increasing costs
- Believe we are well-positioned to accommodate our clients' non-clinical bioanalytical testing needs

DSA Results – Safety Assessment (SA)

- SA business reported another good quarter, with MPI performing very well
- MPI acquisition was completed early in 2Q18 and achieved the goals set forth in first 120 days of the integration process
  - On track to deliver $13-$16M of operational synergies by the end of 2019
- Capacity utilization at our legacy sites remained at near-optimal levels
- Capacity utilization at MPI increased due to the benefits of joining a synergistic parent with access to a broader biopharmaceutical client base
  - Available capacity at MPI, one of the tenets of the acquisition
- Intend to bring small tranches of capacity online across our global SA network to accommodate robust client demand

DSA Results – Safety Assessment (SA), cont.

- We are positioned exceptionally well to provide the support which our clients require to expedite their drug research efforts
  - By focusing on expanding global scale through acquisitions like MPI and WIL, enhancing our scientific expertise, improving our operating efficiency, and creating a more seamless and flexible client experience
- Our extensive capabilities are especially important now
  - Global biopharma increasing their reliance on CROs
  - Small and mid-size biotech companies benefiting from a robust funding environment
    - Have always relied on external resources
- SA outlook predicated on these trends and robust booking and backlog activity in 2Q18
  - Confident that SA revenue growth will accelerate in 2H18

DSA Results – Operating Margin

From Continuing Operations	2Q18	2Q17	YOY Δ
DSA GAAP OM%	16.3%	20.4%	(410) bps
DSA Non-GAAP OM%	21.5%	23.5%	(200) bps

- Sequentially, DSA non-GAAP operating margin rebounded by 290 basis points, and was above the 20% level as we previously anticipated
- Primary factors driving YOY non-GAAP decline:
  - Unfavorable study mix
  - 60-bps headwind from FX

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

DSA Results – SA Study Mix

- SA study mix continued to be weighted towards long-term projects in 2Q18
  - Mix of long-term and short-term studies fluctuates from quarter to quarter
- Study mix improved sequentially as many long-term studies progressed beyond the initial start-up phase
  - Reflected in 290-bps sequential improvement in DSA non-GAAP operating margin
- Study mix is largely a timing issue, reinforcing that our business is not linear
- Expect DSA non-GAAP operating margin to improve further in 2H18
  - Mix returns to more optimal levels

RMS Results – Revenue

($ in millions)	2Q18	2Q17	YOY Δ
Revenue, reported	$130.4	$124.0	5.2%
(Increase) Decrease due to FX			(3.2)%
Revenue growth, organic			2.0%

- RMS growth rate improved for second consecutive quarter
  - Research Models business in China
  - RM Services business
- RMS China delivered another outstanding performance
  - Growth accelerated as the new Shanghai facility continue to ramp up to full capacity
  - Won new business in China because of our expanded footprint and high-quality models
  - China is becoming a larger contributor to the RMS growth rate
    - 1H18 revenue in China was slightly less than 10% of total RMS revenue

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

RMS Results – RM Services

- Broad-based demand across GEMS, RADS, and Insourcing Solutions also contributed to RMS revenue growth
- Believe that clients are choosing our capabilities and our people to enhance their operational efficiency and leverage our scientific expertise
- Clients' use of innovative technologies continues to drive demand for our GEMS business
  - CRISPR creates genetically modified models faster and more cost effectively
- Insourcing Solutions (IS) continues to win new business as clients adopt flexible solutions for their vivarium management and research needs
  - Awarded new contracts from academic and government institutions, which have historically been IS's primary client base
  - Attracting new biopharmaceutical clients because of the flexible models under which they can work with us

RMS Results – Operating Margin

	2Q18	2Q17	YOY Δ
RMS GAAP OM%	26.3%	27.1%	(80) bps
RMS Non-GAAP OM%	26.8%	27.4%	(60) bps

- YOY decline primarily driven by RM Services business and MPI intercompany sales
- ~Half of decline attributable to model sales to MPI that are now intercompany transactions
  - Revenue and profitability recognized in DSA segment
- DSA segment is the largest client of the research models business by a wide margin
- Models used by DSA segment represented >5% of total global RM volume in 1H18
  - More than twice the volume of our largest RMS client
- RMS is vital component of our portfolio that enables us to perform high-quality, early-stage research for our clients
  - Underscores importance of our RM business
  - Research models are essential, regulatory required, scientific tools

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

Manufacturing Results – Revenue

($ in millions)	2Q18	2Q17	YOY Δ
Revenue, reported	$108.5	$93.0	16.6%
(Increase) Decrease due to FX			(3.5)%
Revenue growth, organic			13.1%

- As anticipated, demand in both Microbial Solutions and Biologics rebounded in 2Q18 year over year
  - Each business reported organic revenue growth above 10% level
- Avian Vaccine Services also had another good quarter

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

Mfg. Results – Microbial Solutions

- Microbial Solutions reported robust 2Q18 driven by sales of Endosafe® cartridges, core reagents, and Accugenix® microbial identification services
- Sold significant more Endosafe® PTS and MCS instruments vs. 2Q17
  - Drives greater demand for cartridges
- Unique position to support our clients' rapid testing needs as the only provider who can offer a comprehensive solution for rapid QC testing of both sterile and non-sterile biopharmaceutical and consumer products
- Continue to invest in technology and product enhancements to enhance the functionality of our rapid testing platform and drive greater client adoption of our products and services

Manufacturing Results – Biologics

- Biologics' performance improved significantly in 2Q18, with YOY organic revenue growth >10%
- Sample volumes were seasonally softer in 1Q18 after the holiday period, but improved in 2Q18 as expected
- Number of biologic and biosimilar drugs in development has been growing at double-digit rates
  - Continues to drive demand for our services and the need for new capacity
- Continue to make progress with plans to open a new Pennsylvania facility, as well as smaller capacity expansions globally
- Intend to transition certain laboratory operations to the new Pennsylvania site at a measured pace
  - Process expected to continue through most of 2019
- Modest pressure on the Manufacturing segment's operating margin through the transition process
- Believe capacity expansion is critical to accommodate client demand, which is expected to be robust for the foreseeable future

Manufacturing – Operating Margin

	2Q18	2Q17	YOY Δ
Manufacturing GAAP OM%	31.5%	31.2%	30 bps
Manufacturing Non-GAAP OM%	33.6%	34.2%	(60) bps

- Sequential non-GAAP improvement of 170 bps as expected, driven by volume leverage in the Biologics and Microbial Solutions businesses after a slower start to the year
- YOY non-GAAP decline primarily the result of higher costs associated with ongoing capacity expansions in the Biologics business

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

Evolving Biopharma R&D Model

- Believe this is an unprecedented time in our markets and for our company
- R&D model for biopharma industry is evolving
- Large biopharma companies increasingly choosing to externalize research
  - Improve pipeline productivity, efficiency, and speed to market
  - Sourcing molecules from and partnering with biotech clients and academia to drive innovation
  - Increasing their reliance on outsourcing, driving increased demand for our early-stage services
- Biotech industry is much larger and better funded today
  - Broad-based investment from large pharma partners, capital markets, and VC firms
- Biotech companies are heavily investing in their pipelines and outsourcing this drug research to early-stage CRO partners, like CRL
  - Ample cash on hand and limited or no internal infrastructure

Streamlined Operating Model

- From 2013-2018E, CRL revenue will have nearly doubled (including acquisitions) and employee base has increased by ~75%
- Disciplined investments to add modest amounts of capacity and hire talented personnel to meet the needs of our clients and accommodate increasing demand
  - Expect these investments to continue as we anticipate doubling the size of the Company again in the next 5 years
- As we continue to grow, we must ensure that our businesses can be flexibly scaled to respond to the rapidly evolving market environment and to enhance the speed and responsiveness of our interactions, both internally and with clients
- Adopted a new operating model to create a more agile organization that accelerates the decision-making process by empowering our business unit leaders and giving them the tools and resources that they need to respond to the business opportunities and challenges with minimal constraint
- We have more closely aligned critical support functions with the operations they support and are encouraging closer working relationships within and across our businesses
- Intended to build a more client-centric organization with fewer layers, driving the decision marking process

Streamlined Operating Model, cont.

- During the implementation of the new operating model, it became clear that in order to further streamline the decision-making process and the organizational structure, we needed to eliminate the role of Chief Operating Officer (COO)
- Dr. Davide Molho, President & COO, has left the Company to pursue other interests
- Confident a more streamlined organization will empower our businesses and make us a more nimble and responsive company
  - Further distinguishing ourselves from the competition

Investing to Accommodate Increased Demand

- We must continue to invest in a number of areas to support the anticipated growth
  - Our portfolio, through both internal initiatives and strategic acquisitions
  - Our scientific expertise
  - Our technology platforms
  - Our people
- Technology will continue to be a critical differentiator to support faster and more seamless interactions with our clients
- Focusing on projects to:
  - Enhance client-facing platforms to facilitate the ease with which clients can work across our businesses and gain access to real-time data
  - Strengthen cybersecurity
- Expect to continue to invest meaningfully in information technology to further enhance our digital platform

Maintaining Position as an Employer of Choice

- Hiring significantly across multiple geographies to support the robust demand for our products and services
- Focused on maintaining our position as an employer of choice in a competitive job market
  - Continue to closely monitor the markets in which we operate
- Implemented a program to increase the hourly wages of employees in certain businesses to maintain a competitive compensation structure
  - Predominantly in North America, the U.K., and China
  - Majority of wage adjustments were effective as of July 1^{st}
- Expected to reduce non-GAAP EPS by nearly $0.10 in 2H18
  - Factored into current guidance
- Believe this adjustment to our compensation structure will enable us to maintain employee recruiting and retention standards within targeted levels
  - Voluntary turnover at our current level of <10%
- Believe this is the right thing to do for our employees, who provide dedicated service to Charles River and our clients

Enhancing Client Experience

- It is imperative that we continue to enhance the client experience
- The fact that we worked on 80% of the drugs approved by the FDA in 2017 is a testament that our clients view Charles River as the "go-to," early-stage CRO
  - A position that we do not take for granted
- To maintain or enhance this position, we intend to:
  - Provide clients with the fastest speed and responsiveness in our working relationships
  - Build a best-in-class digital enterprise that will provide a more seamless interface
  - Drive efficiencies that will reduce costs for CRL and our clients
  - Continue to invest in strategic acquisitions to expand our unique portfolio
    - Pipeline of acquisition candidates across our portfolio remains robust
    - M&A is our preferred use of capital
- Our goal will be to balance investing in the future organization with achievement of our long-term target of a consolidated operating margin of >20%
  - While driving higher revenue, EPS, and free cash flow

2Q18 Results

From Continuing Operations ($ in millions)	2Q18	2Q17	YOY Δ	Organic Δ
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	13.9%	

- Strong revenue, non-GAAP EPS, and free cash flow growth
  - Pleased with our 2Q18 results
- 2Q18 non-GAAP EPS outperformed our expectations

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

2Q18 Earnings Per Share

- 2Q18 non-GAAP EPS increase aided by:
  - Stronger revenue growth and higher operating income
  - Contributions from MPI acquisition
  - Venture capital (VC) investments gains of $0.17 in 2Q18 vs. $0.03 in 2Q17
  - Lower tax rate, due primarily to modest benefits from U.S. tax reform
- 2Q18 non-GAAP EPS outperformed our prior outlook
  - Primarily driven by higher VC investment gains

Venture Capital (VC) Investment Gains

- Initial 2018 guidance included an estimate of VC investment gains of $0.14
- Totaled $0.17 in 2Q18 and $0.26 in 1H18
  - Substantially higher than our initial annual estimate
- Have not included any VC investment gains in 2H18
  - Do not forecast the performance of these funds beyond our annual expected return
- Intend to eliminate the performance of VC investments from our guidance, beginning in 2019
  - Inherently difficult to forecast these gains, or potential losses

Unallocated Corporate Overhead

($ in millions)	2Q18	1Q18	2Q17
GAAP	$48.3	$40.1	$32.3
Non-GAAP	$36.6	$37.2	$31.1

- Unallocated corporate costs were 6.2% of total revenue in 2Q18 vs. 6.6% of total revenue in 2Q17 (non-GAAP)
- Continue to expect non-GAAP unallocated corporate costs to be slightly below 7% of revenue in 2018
  - 1H18 at 6.8% of total revenue
- GAAP unallocated corporate costs expected to be ~7.5% of total revenue in 2018
- Continue to invest in a more scalable infrastructure, but intend to manage future investments to support our growing business
  - Maintain unallocated corporate costs within targeted range of 7% or lower

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

Net Interest Expense

($ in millions)	2Q18	1Q18	2Q17
GAAP interest expense, net	$18.5	$10.9	$7.2
Non-GAAP interest expense, net	$16.7	$7.6	$7.2

- 2Q18 YOY and sequential non-GAAP increase primarily reflects increased debt levels to fund the MPI acquisition and higher borrowing costs associated with the issuance of $500M of 5.5% senior notes in April
- 2018 net interest expense is now expected to be in a range of $57-$60M (non-GAAP) and $62-65M (GAAP)
  - $1.5M increase from our prior outlook due to the potential for additional interest rate increases by the Federal Reserve this year

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

Tax Rate

	2Q18	1Q18	2Q17
GAAP	24.8%	15.5%	28.9%
Non-GAAP	23.6%	16.5%	29.4%

- 2Q18 YOY non-GAAP tax rate decline was largely the result of the benefit from U.S. tax reform and the tax impact of operational efficiency initiatives
- 2018 GAAP and non-GAAP tax rate expected to continue to be in a range of 23.5%-25%
- Assumes tax rate in the mid-20% range for the remaining quarters of 2018

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

Cash Flow

($ in millions)	2Q18	2Q17	2018 Outlook
Free cash flow (FCF)	$102.7	$90.1 (1)	$260-$270
Capex	$21.2	$16.0	~$120
Depreciation	$24.7	$22.0	~$105
Amortization	$18.7	$9.8	$66-$71

- 2Q18 FCF increase was primarily driven by our focus on working capital management
- 2018 FCF guidance increased by $20M, reflecting 2Q18 improvement in working capital management and our expectations for the remainder of the year
- Remain on track to meet 2018 capex guidance of ~$120M

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

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

Capital Priorities

- Strategic acquisitions remain our top priority for capital allocation, followed by debt repayment
- Total debt at end of 2Q18 was $1.82B
  - On a pro forma basis, gross leverage ratio(1) was 3.05x and net leverage ratio(1) was 2.7x
  - Absent any acquisitions, our goal will be to drive the gross leverage ratio below 3x by the end of the year
  - Would result in a 25-bps interest rate reduction on variable-rate debt under our credit agreement
- Continue to evaluate our capital priorities and intend to deploy capital to the areas that we believe will generate the greatest returns
- No stock repurchases in 1H18
  - Do not intend to repurchases shares in 2018 at this time
  - Expect year-end diluted share count of ~49.5M shares, absent any repurchases in 2018
    - Dilution expected to reduce 2018 EPS by slightly more than $0.05 vs. 2017

(1) Pursuant to the definition in its credit agreement dated March 26. 2018, the Company has defined its pro forma leverage ratio as total debt divided by adjusted EBITDA for the trailing-twelve-month period following the close of, and pro forma for, the acquisition of MPI. Adjusted EBITDA represents net income, prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), adjusted for interest, taxes, depreciation and amortization, and certain items that management believes are not reflective of the operational performance of the business. These adjustments include, but are not limited to, acquisition-related expenses including transaction and advisory costs; asset impairments; changes in fair value of contingent consideration obligations; employee stock compensation; historical EBITDA of companies acquired during the period; and other items identified by the company.

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

Increasing 2018 Guidance

From Continuing Operations	REVISED	PRIOR
Revenue growth, reported	19%-21%	18%-20%
Revenue growth, organic	7.0%-8.0%	5.7%-6.7%
GAAP EPS	$4.30-$4.45	$4.22-$4.37
Non-GAAP EPS	$5.85-$6.00	$5.77-$5.92

- Increased 2018 reported and organic revenue growth guidance
  - Strong YTD demand trends
  - Slightly higher-than-expected revenue contribution from acquisitions, primarily MPI
- Foreign exchange (FX) is expected to be less favorable as a result of the weakening of the U.S. dollar
  - Now expect a ~2% FX benefit in 2018 vs. ~3% prior outlook
  - Slight headwind to full-year EPS compared to our prior outlook
- Increased 2018 non-GAAP EPS guidance

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

Updated 2018 Segment Revenue Outlook

From Continuing Operations	2018 Reported Revenue Growth	2018 Organic Revenue Growth(1)
RMS	Mid-single digits *(Prior: Low- to mid-single digits)*	Low-single digits
DSA	>30% *(Prior: ~30%)*	High-single digits *(Prior: Same range as 2017)*
Manufacturing	Low- to mid-teens	Low-double digits *(Prior: > 10%)*
Consolidated CRL	19%-21%	7.0% – 8.0% *(Prior: 5.7% - 6.7%)*

- Experiencing strong trends across most of our business, which are expected to continue

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

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

Increasing 2018 EPS Guidance

- Increasing 2018 non-GAAP EPS by $0.08 to be in a range of $5.85-$6.00
  - Primarily driven by better-than-expected VC investment gains
- Favorable earnings outlook also reflects our plans to make the necessary investments in our business to accommodate current demand and position the Company for future growth
- Adjustment to our compensation structure expected to reduce 2018 EPS by nearly $0.10
  - Supports our employee recruiting and retention efforts and to maintain our position as an employer of choice

Updated 2018 Guidance Summary

From Continuing Operations	GAAP	Non-GAAP
Revenue growth	19%-21% reported	7.0%-8.0% organic(1)
Unallocated corporate	~7.5% of revenue	Slightly below 7% of revenue
Net interest expense	$62M-$65M	$57M-$60M
Tax rate	23.5%-25%	23.5%-25%
EPS	$4.30-$4.45	$5.85-$6.00
Cash flow	Operating cash flow: $380M-$390M	Free cash flow: $260M-$270M
Capital expenditures	~$120M	~$120M

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

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

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3Q18 Outlook

	3Q18 Outlook
Reported revenue growth YOY	>20% YOY reported growth vs. 3Q17
Organic revenue growth YOY	Improve from 2Q18 level
Non-GAAP EPS	Mid-single-digit YOY growth vs. 3Q17

- 3Q18 revenue growth expectations based in part on strong bookings and backlog in the DSA segment
  - Believe indicates that demand trends are intensifying in our business
- EPS does not include an estimate for VC investment performance for 3Q18 or the remainder of the year
  - $0.07 headwind vs. 3Q17 VC investment gains
- Incremental personnel costs related to the adjustment of our compensation structure will pressure the operating margin

Concluding Remarks

- Pleased with our 2Q18 performance
- Confident about the prospects for 3Q18 and on track to achieve our 2018 financial guidance, including:
  - Higher organic revenue growth
  - Non-GAAP EPS growth in the low-double digits
  - Increase in free cash flow outlook
- Disciplined approach to the manner in which we are growing the business
  - Evaluating the needs of today to accommodate the anticipated growth tomorrow
  - Enhances our position as the premier, early-stage CRO

2Q18 Regulation G Financial Reconciliations

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

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

(in thousands, except percentages)

	Three Months Ended		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

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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
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.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP REVENUE GROWTH

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

For the three months ended 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.

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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 TAX RATE TO NON-GAAP TAX RATE (UNAUDITED) (1)(2)
(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Income from continuing operations before income taxes & noncontrolling interest	$ 70,288	$ 76,916	$ 133,328	$ 154,963
Add back:				
Amortization of intangible assets and inventory step-up related to acquisitions	18,740	9,818	29,008	20,556
Severance and executive transition costs	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
Write-off of deferred financing costs and fees related to debt refinancing	1,799		5,060	
Gain on CDMO divestiture	-	-	-	(10,577)
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 104,787	$ 89,280	$ 186,320	$ 169,757
Provision for income taxes (GAAP)	$ 17,438	$ 22,243	$ 27,210	$ 53,327
Tax effect from CDMO divestiture	-	-	-	(18,005)
Tax effect of the remaining non-GAAP adjustments	7,341	4,035	10,992	8,699
Provision for income taxes (Non-GAAP)	$ 24,779	$ 26,278	$ 38,202	$ 44,021
Total rate (GAAP)	24.8%	28.9%	20.4%	34.4%
Total rate, excluding specified charges (Non-GAAP)	23.6%	29.4%	20.5%	25.9%

(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) 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 TO NON-GAAP NET INTEREST EXPENSE
(dollars in thousands)

	Three Months Ended	
	June 30, 2018	March 31, 2018
GAAP Interest Expense, net	$ 18,461	$ 10,909
Exclude:		
Write-off of deferred financing costs and fees related to debt refinancing	(1,799)	(3,261)
Non-GAAP Interest Expense, net	$ 16,662	$ 7,648

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

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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	December 29, 2012
DEBT (2):							
Total Debt & Capital Leases	$ 1,827,797	$ 1,145,104	$ 1,235,009	$ 863,031	$ 777,863	$ 663,789	$ 666,520
Plus: Other adjustments per credit agreement	$ 2,880	$ 298	$ 3,621	$ 1,370	$ 2,828	$ 9,787	$ 9,680
Total Indebtedness per credit agreement	$ 1,830,677	$ 1,145,402	$ 1,238,630	$ 864,401	$ 780,691	$ 673,576	$ 676,200
Less: Cash and cash equivalents	(192,300)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)	(109,685)
Net Debt	$ 1,638,377	$ 981,608	$ 1,121,004	$ 746,454	$ 620,668	$ 517,649	$ 566,515

	Twelve Months Ended						
	June 30, 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	$ 128,964	$ 123,355	$ 154,765	$ 149,313	$ 126,698	$ 102,828	$ 97,295
Adjustments:							
Less: Aggregate non-cash amount of nonrecurring gains	—	—	(685)	(9,878)	(2,048)	—	—
Plus: Interest expense	45,225	29,777	27,709	15,072	11,950	20,969	33,342
Plus: Provision for income taxes	145,785	171,369	66,835	43,391	46,685	32,142	24,894
Plus: Depreciation and amortization	143,555	131,159	126,658	94,881	96,445	96,636	81,275
Plus: Non-cash nonrecurring losses	18,107	17,716	6,792	10,427	1,615	4,202	12,283
Plus: Non-cash stock-based compensation	46,835	44,003	43,642	40,122	31,035	24,542	21,855
Plus: Permitted acquisition-related costs	19,031	6,687	22,653	13,451	6,285	1,752	3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions	51,744	690	18,573	9,199	10,787	—	253
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 599,246	$ 524,756	$ 466,942	$ 365,978	$ 329,452	$ 283,071	$ 274,873

	June 30, 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)	3.05x	2.2x	2.7x	2.4x	2.4x	2.4x	2.5x
Net leverage ratio (net debt divided by adjusted EBITDA)	2.7x	1.9x	2.4x	2.0x	1.9x	1.8x	2.1x

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

(2) Pursuant to the definition in its credit agreement dated March 26. 2018, the Company has defined its pro forma leverage ratio as total debt divided by adjusted EBITDA for the trailing-twelve-month period following the close of, and pro forma for, the acquisition of MPI. Adjusted EBITDA represents net income, prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), adjusted for interest, taxes, depreciation and amortization, and certain items that management believes are not reflective of the operational performance of the business. These adjustments include, but are not limited to, acquisition-related expenses including transaction and advisory costs; asset impairments; changes in fair value of contingent consideration obligations; employee stock compensation; historical EBITDA of companies acquired during the period; and other items identified by the company.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

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

(in thousands, except percentages)

	Three Months Ended March 31, 2018
Unallocated Corporate Overhead	$ (40,080)
Add back:	
Acquisition related adjustments (3)	2,864
Total non-GAAP adjustments to operating expense	$ 2,864
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (37,216)

(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 TAX RATE TO NON-GAAP TAX RATE (UNAUDITED) (1)
(in thousands)

	Three Months Ended March 31, 2018
Income from continuing operations before income taxes & noncontrolling interest	$ 63,040
Add back:	
Amortization of intangible assets and inventory step-up related to acquisitions	10,268
Severance and executive transition costs	1,139
Acquisition related adjustments (2)	3,294
Site consolidation costs, impairments and other items	531
Write-off of deferred financing costs and fees related to debt refinancing	3,261
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 81,533
Provision for income taxes (GAAP)	$ 9,772
Tax effect from CDMO divestiture	-
Tax effect of the remaining non-GAAP adjustments	3,651
Provision for income taxes (Non-GAAP)	$ 13,423
Total rate (GAAP)	15.5%
Total rate, excluding specified charges (Non-GAAP)	16.5%

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

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

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