Charles River Laboratories Provides Update on Strategic Review

November 5, 2025 at 7:01 AM EST

– Announces Steps to Strengthen and Refine Portfolio and to Maximize Financial Performance –

WILMINGTON, Mass.--(BUSINESS WIRE)--Nov. 5, 2025-- Charles River Laboratories International, Inc. (NYSE: CRL) today announced an update on its Board of Directors' comprehensive strategic review of the Company's business and growth prospects. The Board strongly supports the Company's strategic direction and believes it should continue to focus on strengthening its leading scientific portfolio within its core markets, divesting underperforming or non-core assets, maximizing its financial performance, and maintaining a disciplined approach to capital deployment. To further support this strategy, the Company is taking the following actions to drive long-term shareholder value creation:

- **Strengthening Portfolio by Investing in Core Growth:** Charles River has built a scientifically differentiated portfolio to take advantage of the unique opportunities that are present across the evolving biopharmaceutical landscape. Its focus on science and innovative solutions designed to enhance the efficiency and speed to market of its clients' therapeutic programs will enable the Company to continue to adapt and lead the industry through advances in drug development. To further support its strategy, Charles River has identified areas of future growth that align with its core competencies across its three business segments, which it will continue to invest in through strategic acquisitions, technology partnerships, and internal development efforts. Specifically, the Company is evaluating opportunities to enhance its scientific capabilities in the areas of bioanalysis, *in vitro* services including new approach methodologies, or NAMs, and related solutions, as well as to strengthen its geographic presence.

- **Refining Portfolio:** As part of its ongoing efforts to streamline operations and maximize financial performance, the Company has evaluated the strategic fit and fundamental performance of its global portfolio and infrastructure and, as appropriate, will take actions to ensure its business is strategically and financially aligned in the interest of long-term value creation. These actions are expected to result in the sale of certain underperforming or non-core businesses, which will enable the Company to focus on more profitable growth opportunities. In aggregate, these businesses represent approximately 7% of the Company's estimated 2025 revenue. The proposed divestitures, once completed, are expected to result in non-GAAP earnings per share accretion of at least $0.30 on an annualized basis, before assuming any reinvestment of the transaction proceeds.

- **Maximizing Financial Performance by Driving Greater Efficiency:** Charles River has taken extensive action during the current demand environment with a goal to protect its operating margin and reinvigorate earnings growth, and has implemented restructuring initiatives over past several years that are expected to result in approximately $225 million in cumulative, annualized cost savings in 2026. In addition to these actions, the Company is also implementing initiatives designed to drive greater operating efficiencies through process improvement, procurement synergies, and implementing a global business services model. The additional initiatives are expected to generate incremental net cost savings of approximately $70 million annually, which will be fully realized in 2026.

- **Maintaining Disciplined Approach to Capital Deployment:** Charles River remains committed to deploying capital in a disciplined and value-enhancing manner. The Company will continue to regularly review the optimal balance between strategic acquisitions, stock repurchases, debt repayment, and other uses of capital to support its disciplined capital allocation strategy. As part of this strategy, in October, the Board of Directors approved a new, $1.0 billion stock repurchase authorization. This replaces the previous stock repurchase authorization, for which the Company had repurchased $450.7 million in common stock since August 2024.

These initiatives demonstrate the Board of Director's commitment to enhance long-term shareholder value through the strategic review process that commenced in May 2025 and was conducted by the Board's Strategic Planning and Capital Allocation Committee (SPCAC), in consultation with third-party advisors. The Company will continue to evaluate initiatives to enhance shareholder value.

James C. Foster, Chair, President and Chief Executive Officer of Charles River Laboratories said, "I would like to thank our Board for the progress that has been made thus far on this thorough and collaborative review process. The SPCAC committee will continue to evaluate a wide range of value-creation options to ensure the best strategic path forward for the Company. We are executing a focused plan to enhance long-term value by building upon the core strengths of our unique portfolio that spans basic research, early-stage drug development, and manufacturing solutions. The actions outlined today will better position us to drive meaningful earnings growth and further strengthen the Company to benefit both our shareholders and our clients. Through these actions, we are confident that our long-standing focus on advancing scientific innovation and driving greater efficiency in our clients' drug development programs will lead to a long runway of future growth opportunities and will further reinforce our competitive position in the marketplace."

Charles River intends to provide a more comprehensive business update in 2026 at an upcoming Investor Day to share the progress on its strategy and these actions, as well as to provide an update of its long-term financial targets.

Use of Non-GAAP Financial Measures

This press release contains a forward-looking, non-GAAP financial measure: non-GAAP earnings per share accretion related to the proposed divestitures described herein. The corresponding GAAP financial measure is not provided because the items that are excluded from GAAP to calculate the comparable non-GAAP measure are dependent on future events that are not able to be reliably predicted by management and are not part of routine operating activities. The Company is unable to provide such a reconciliation without unreasonable effort due to the uncertainty and inherent difficulty in predicting the occurrence, the financial impact, and the periods in which the aggregate divestitures may be recognized. The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact our GAAP results.

There are limitations in using non-GAAP financial measures, as they are not presented in accordance with generally accepted accounting principles, and may be different than non-GAAP financial measures used by other companies. In particular, we believe that the inclusion of supplementary non-GAAP financial measures in this press release helps investors to gain a meaningful understanding of our core operating results and future prospects without the effect of these often-one-time charges, and is consistent with how management measures and forecasts the Company's performance, especially when comparing such results to prior periods or forecasts. We believe that the financial impact of our divestitures (and in certain cases, the evaluation of such divestitures, whether or not ultimately consummated) is often large relative to our overall financial performance, which can adversely affect the comparability of our results on a period-to-period basis. In addition, certain activities and their underlying associated costs, such as business divestitures, generally occur periodically but on an unpredictable basis. Non-GAAP results also allow investors to compare the Company’s operations against the financial results of other companies in the industry who similarly provide non-GAAP results. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations presented 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.

Caution Concerning Forward-Looking Statements

This press release 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,” “would,” “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: the Company’s plans or prospects, expectations and long-term goals associated with our business; the company's expectations concerning future financial and operating performance, including the company's commitment to, and ability to create long-term value for shareholders and to successfully execute on the strategies described herein.

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 impact of the events described herein, including the ability to execute on, the results, and the impact of the Board of Directors’ comprehensive strategic review and evaluation of Charles River’s business and prospects. Furthermore, these and other risks relating to the Company are set forth in the documents filed by Charles River with the Securities and Exchange Commission, including without limitation, the Risk Factors in both the Company’s Annual Report on Form 10-K filed February 19, 2025. 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 press release except as required by law.

About Charles River

Charles River provides essential products and services to help pharmaceutical and biotechnology companies, government agencies and leading academic institutions around the globe accelerate their research and drug development efforts. Our dedicated employees are focused on providing clients with exactly what they need to improve and expedite the discovery, early-stage development and safe manufacture of new therapies for the patients who need them. To learn more about our unique portfolio and breadth of services, visit www.criver.com.

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