2Q 2021 Results

August 4, 2021

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 about the impact of the COVID-19 pandemic for our business, financial condition and results of operations, including the long-term growth prospects and as compared to other companies, and the prospects for recovery therefrom; the effectiveness of our capital deployment strategy, in light of the COVID-19 pandemic and our ability to reduce capex, preserve jobs, support client research programs and sustain our financial position; our compliance with the maintenance covenants under our credit agreement; our projected 2021 and other future financial performance (including without limitation revenue and revenue growth rates, operating income and margin, earnings per share, capital expenditures, operating and free cash flow, net interest expense, effective tax rate, foreign exchange rates, and leverage ratios) whether reported, constant currency, organic, and/or factoring acquisitions, with respect to Charles River as a whole and/or any of our reporting or operating segments or business units; our annual guidance and longer-term targets; the assumptions that form the basis for our revised annual guidance; the expected performance of our venture capital and other strategic investments; the future demand for drug discovery, development, and CDMO products and services, and our intentions to expand those businesses, including our investments in our portfolio; the impact of foreign exchange; 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 clients 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; our business strategy, including with respect to capital deployment and leverage; our success in identifying, consummating, and integrating, and the impact of, our acquisitions, on the Company, our service offerings, client perception, strategic relationships, revenue, revenue growth rates, earnings, and synergies; our expectations regarding the financial performance of the companies we have acquired; 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, products, sites and geographies; 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 COVID-19 pandemic, its duration, its impact on our business, results of operations, financial condition, liquidity, business practices, operations, suppliers, third party service providers, clients, employees, industry, ability to meet future performance obligations, ability to efficiently implement advisable safety precautions, and internal controls over financial reporting; the COVID-19 pandemic’s impact on client demand, the global economy and financial markets; the ability to successfully integrate businesses we acquire (including Cognate BioServices and risks and uncertainties associated with Cognate BioServices products and services, which are in areas that the Company did not previously operate); 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 clients; the ability to convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; USDA and FDA regulations; changes in law; the impact of Brexit; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; 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 17, 2021, 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.

Assessment of COVID-19 Impact in 2020

The Company has provided its assessment for the impact from the COVID-19 pandemic in 2020, including on the Company's revenue. This assessment was determined using methodologies, assumptions, and estimates that vary depending on the specific reporting segment and situation. For the Research Models and Services segment, the assessment was primarily based on comparisons to daily historical research model sales volumes prior to the COVID-19 pandemic and the subsequent reduction in research model order activity associated with our clients' COVID-19 pandemic-related site closures and/or their reduced on-site activity, as well as our discussions with clients, particularly of our research model services and HemaCare businesses, with regard to revenue expectations and operational impacts from the COVID-19 pandemic. For the Discovery and Safety Assessment segment, the assessment was based on multiple factors including, but not limited to, discussions with clients with regard to the cause of delays to discovery projects and safety assessment studies, location-specific actions to ensure employee safety in our facilities, the impact of remote versus in-person activities and services, and supply chain delays and other resource constraints. For the Manufacturing Solutions segment, the assessment was based on multiple factors including, but not limited to, analysis of the sales impact due to the COVID-19 pandemic, assessments of idle instruments and the related revenue streams due to the inability to access clients' sites, as well as discussions with clients with regard to their revenue expectations and operations. The estimated revenue loss related to COVID-19 was also expected to be partially offset by incremental work on clients' COVID-19 programs. Because this assessment involves risks and uncertainties, actual events and results may differ materially from these estimates and assumptions, and Charles River assumes no obligation and expressly disclaims any duty to update them.

Robust 2Q21 Performance

- Strength of our leading, non-clinical portfolio was clearly demonstrated in 2Q21 performance
- Robust industry fundamentals are leading to unprecedented client demand across most of our businesses
- Extremely well positioned to succeed in this environment
- 2Q21 organic revenue growth in mid-teens, even after normalizing for last year's COVID-19 impact
- Growth exceeded long-term, low-double-digit target recently provided at May Investor Day

Well Positioned to Meet Client Needs

- Clients are increasingly choosing to partner with CRL for:
  - Flexible and efficient outsourcing solutions
  - Scientific depth and breadth of our portfolio
  - Unwavering focus on flawlessly serving their diverse needs
- Utilizing CRL capabilities enables them to drive greater efficiency and accelerate speed of research, non-clinical development, and manufacturing programs
- Believe efforts we have made—and continue to make—to differentiate CRL from competition are critical as clients choose to work with a smaller number of CROs who offer broad scientific capabilities

Execution of Strategy is Key

- Due to sustained demand, keenly focused on execution of our strategy, including:
  - Strengthening our portfolio (e.g., acquisition of Vigene Biosciences in late June)
  - Strategically adding staff and capacity to accommodate robust demand and support clients
  - Enhancing our digital enterprise to provide greater connectivity and provide exceptional service
- Believe we will make these investments and remain well positioned to achieve non-GAAP operating margin target of 22.5% in 2024

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2Q21 Revenue

($ in millions)	2Q21	2Q20	YOY Δ
Revenue, reported	$914.6	$682.6	34.0%
(Increase)/decrease due to FX			(3.9)%
Contribution from acquisitions			(6.0)%
Revenue growth, organic			24.1%

- Quarterly revenue surpassed $900M for first time
- Organic revenue growth of 24.1% was increased by 8.0% when compared to last year's COVID-19 impact in 2Q20
  - Greatest impact on RMS segment
- Even after normalizing for COVID impact, reported mid-teens organic growth with double-digit increases across all three business segments

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

2Q21 Operating Margin

	2Q21	2Q20	YOY Δ
GAAP OM%	15.0%	11.2%	380 bps
Non-GAAP OM%	20.8%	17.3%	350 bps

- Improvement principally driven by RMS, reflecting operating leverage from significantly higher sales volume for research models
  - Due in part to comparison to last year's COVID-19 impact
- Notwithstanding favorable YOY comparison, pleased with margin progression in 1H21
- On track to achieve FY 2021 non-GAAP operating margin of ~21%
  - 100 bps above FY 2020

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

2Q21 EPS

	2Q21	2Q20	YOY Δ
GAAP EPS	$1.72	$1.34	28.4%
Non-GAAP EPS	$2.61	$1.58	65.2%

- Non-GAAP EPS widely exceeded prior outlook of >50% EPS growth for 2Q21
- Primarily as a result of exceptional demand environment

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

Increasing 2021 Guidance Including Cognate

	CURRENT	PRIOR
Revenue growth, reported	20.5%-22.5%	19%-21%
Contribution from acquisitions	~(5.0%)	(4.5%)-(5.0%)
Decrease/(Increase) due to FX	(~2.5%)	(~2.5%)
Revenue growth, organic	13%-15%	12%-14%
GAAP EPS	$6.55-$6.80	$5.95-$6.20
Acquisition-related amortization	$1.90-$2.00	$2.15-$2.40
Acquisition and integration-related adjustments	$0.70-$0.80	$0.75-$0.80
Other items	$0.70-$0.75	~$0.55
Venture capital investment losses/(gains)	$0.10	$0.25
Non-GAAP EPS	$10.10-$10.35	$9.75-$10.00

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

Increasing 2021 Guidance

- Based on 2Q21 performance and expectation for sustained demand through remainder of the year, increasing revenue growth and non-GAAP EPS for 2021
- Now expect organic revenue growth in a range of 13% to 15%
  - 100 bps increase from prior range
- Non-GAAP EPS expected in a range of $10.10 to $10.35
  - Represents 24%-27% YOY
  - Increase of $0.35 at midpoint from prior outlook
- Attribute exceptional performance and outlook to:
  - Success of ongoing efforts to enhance our position as the leading, non-clinical contract research and manufacturing organization
  - Pace of scientific innovation fueling a significant increase in biotech funding and FDA approvals, both of which are tracking to near-record levels through 1H21

DSA Results – Revenue

($ in millions)	2Q21	2Q20	YOY Δ
Revenue, reported	$540.1	$442.6	22.0%
(Increase)/decrease due to FX			(3.0)%
Contribution from acquisitions			(0.9)%
Revenue growth, organic			18.1%

- Revenue growth driven by broad-based demand for both Discovery and Safety Assessment (SA) services
- COVID only had a small impact on DSA in 2Q20, so wasn't a meaningful driver of YOY growth

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

DSA Results - Safety Assessment (SA)

- SA business continued to perform exceptionally well, reflecting robust demand from biotech and global biopharma clients and price increases
- Bookings and proposal volume continued to achieve record highs in 2Q21, with strength across all regions and major service areas
- Strength of biotech funding is enabling clients to meaningfully invest in early-stage programs
- Due to unprecedented demand, we are now booking work into next year
- Clients are expanding preclinical pipelines and intensifying focus on complex biologics
- Believe clients are securing space with us further in advance to ensure they do not delay research
  - Provides us with greater visibility
- To support clients, we are continuing to add staff, capacity, and resources necessary to effectively manage current demand and provide clients with timely, efficient, and high-quality service they expect from CRL
- Believe these investments position SA well; will support low-double-digit organic revenue growth for DSA segment in 2021

DSA Results – Discovery Services

- Believe combination of robust funding, as well as CRL's deep scientific expertise and willingness to forge flexible relationships with clients, led to another exceptional quarter for Discovery
- Comprehensive portfolio of oncology, CNS, early discovery, and antibody discovery capabilities is resonating with clients
  - Recently enhanced by Distributed Bio and Retrogenix acquisitions
- Clients are increasingly choosing to outsource to integrated discovery partners like CRL
- Despite robust funding, biotech clients continue to maintain limited or no internal infrastructure, opting instead to invest in their pipelines and utilize CRL's services to move their programs forward
- To support robust demand from both biotech and global biopharma, will continue to strengthen our portfolio by expanding scale, science, and innovative technologies through a combination of internal investment, M&A, and strategic partnerships
- By doing so, are enabling clients to remain with one scientific partner from target identification through IND filing and beyond
- Solidifying our position as the leading, non-clinical CRO

DSA Results – Operating Margin

	2Q21	2Q20	YOY Δ
DSA GAAP OM%	19.4%	16.3%	310 bps
DSA Non-GAAP OM%	23.5%	23.2%	30 bps

- Leverage from robust DSA revenue growth was primary driver of margin improvement
- FX reduced DSA operating margin by 150 bps in 2Q21 because revenue and costs are not naturally hedged at certain DSA sites, including operations in Canada
- Continue to expect DSA margin will be in mid-20% range for 2021

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

RMS Results – Revenue

($ in millions)	2Q21	2Q20	YOY Δ
Revenue, reported	$176.7	$116.5	51.6%
(Increase)/decrease due to FX			(5.2)%
Contribution from acquisitions			(1.9)%
Revenue growth, organic			44.5%

- ~33.4% of growth was attributable to the comparison to last year's COVID-related revenue impact from client site closures and associated disruptions, which reduced research model activity
- RMS growth rate was above 10% when adjusted for COVID impact
- Strong research activity across biopharma, academic, and government clients led most RMS businesses to grow above targeted growth rates

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

RMS Results – Research Models

- Robust demand for research models in China was primary driver of 2Q21 revenue growth
- Resurgence in research activity in 2021 led to model volumes far exceeding pre-COVID levels
- Similar to Western markets, client base in China has transitioned from one dominated by academic and government to a vibrant, mid-tier biotech and CRO client base
  - Now represents the majority of our clients in China
- Believe expansion of client base is fueling increased demand
- To accommodate growth, continuing to expand our model and services offering and geographic footprint in western and southern China
- Currently experiencing strong, double-digit revenue growth in China

RMS Results – Research Models, cont.

- Demand for research models outside China was also quite strong
- Believe this correlates with increased level of non-clinical research being conducted by biopharma and academic clients in Western markets
- Research investments have led to biomedical breakthroughs and new drug modalities
- Believe the global focus on scientific innovation is sustainable
- Also continued to win new academic clients in 2Q21, resulting from COVID-19-related client shutdowns in 2020 and more recently, from digital engagements targeting academic client base

RMS Results – RM Services

- RM Services also performed very well
- GEMS benefited from strong outsourcing demand as clients seek greater flexibility and efficiency gained when CRL manages their proprietary colonies
- Greater complexity of scientific research and the proprietary models clients are creating further reinforce the value proposition for the GEMS business
- Client need for greater flexibility and efficiency is also driving demand for Insourcing Solutions (IS), particularly for CRADL initiative, which provides both small and large biopharma clients with turnkey research capacity at CRL sites
- In addition to expanding existing CRADL presence and adding clients in Boston/Cambridge and South San Francisco (SSF) biohubs, also looking to expand into other regions
  - Provide flexible capacity solutions for clients in emerging biohubs
- Utilizing CRADL also provides clients with collaborative opportunities to seamlessly access other CRL services, which further enhances the speed and efficiency of their research programs

RMS Results – HemaCare & Cellero

- Revenue growth for cell supply business improved in 2Q21, but remained below targeted level due to continued limitations on donor access
- Believe revenue will increase during 2H21 as donor availability and capacity improve
- Have expanded capabilities, including donor capacity, at cell supply sites in MA and WA
- Believe this will enable CRL to further expand donor base in the US and accommodate robust demand in the broader cell therapy market
- Expect HemaCare and Cellero will provide critical tools for our new cell and gene therapy CDMO businesses, Cognate and Vigene
- Believe this will be highly synergistic for both CRL and clients because it will enable us to move clients' cell therapy programs forward using the same cellular products from research to CGMP production

RMS Results – Operating Margin

	2Q21	2Q20	YOY Δ
RMS GAAP OM%	24.1%	3.3%	2080 bps
RMS Non-GAAP OM%	27.4%	9.1%	1830 bps

- Significant margin improvement primarily due to comparison to depressed margin in 2Q20 associated with COVID-related client disruptions and corresponding reduction in research model order activity

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

Manufacturing Results – Revenue

($ in millions)	2Q21	2Q20	YOY Δ
Revenue, reported	$197.8	$123.5	60.2%
(Increase)/decrease due to FX			(5.4)%
Contribution from acquisitions			(28.2)%
Revenue growth, organic			26.6%

- Revenue increase driven by strong, double-digit growth in both Biologics Testing Solutions (Biologics) and Microbial Solutions
- COVID-19 did not have meaningful impact on segment revenue in 2020, but testing on COVID-19 vaccines has helped accelerate Biologic's revenue growth in 2021

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

Manufacturing Results – Microbial Solutions

- Consistent with 1Q21, Microbial Solutions' growth rate in 2Q21 was well above the 10% level, reflecting strong demand for:
  - Endosafe® endotoxin testing systems, cartridges, and core reagents in all geographic regions
  - Accugenix® microbial identification services
- With COVID-related client access restrictions effectively behind us, pleased with strength of underlying demand for our endotoxin testing platform
  - Performs FDA-mandated, lot release testing for clients' critical quality-control testing needs
- Advantages of our comprehensive portfolio continue to resonate with clients
- Believe our ability to provide a total microbial testing solution will enable Microbial Solutions to deliver at least low-double-digit organic revenue growth in 2021 and beyond
  - Consistent with the historical trend pre-COVID

Mfg Results – Biologics Testing Solutions

- Biologics Testing Solutions reported another exceptional quarter of strong revenue growth, well above 20% target
- Primary growth driver continued to be robust demand for cell and gene therapy testing services
  - Rapid increase in the number of C&GT programs in development to ~3,000 programs now in the pipeline
  - ~Two-thirds of these programs in the preclinical phase
  - Expected to continue to fuel strong Biologics revenue growth
- COVID-19 vaccine work was also a meaningful driver, but underlying growth trends remained above 20% level even without incremental COVID-19 testing revenue
- Believe cell and gene therapies will continue to be significant growth drivers over the longer term
- Demand for COVID-19 vaccine testing showing no signs of abating
- Believe commercial production of COVID vaccines will continue for many years to come, supporting demand for our services
- Due to strength of demand, continuing to build our extensive portfolio of manufacturing to ensure available capacity to accommodate client demand

Manufacturing – Operating Margin

	2Q21	2Q20	YOY Δ
Manufacturing GAAP OM%	28.7%	34.8%	(610) bps
Manufacturing Non-GAAP OM%	33.2%	37.4%	(420) bps

- Addition of Cognate CDMO business was primary driver of operating margin decline
- Higher production costs in Microbial Solutions also contributed
- Cognate is a profitable business with a solid operating margin, but margin is below the Manufacturing segment
- Addition of Vigene is expected to result in a FY 2021 Manufacturing operating margin slightly below the mid-30% range
- Beyond 2021, expect headwind to gradually dissipate as we drive efficiency, and as the significant growth we anticipate generates economies of scale and optimizes throughput at our CDMO sites

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Cognate & Vigene Acquisitions

- Along with HemaCare and Cellero, these businesses form the core of our cell and gene therapy offering
- Believe they will be highly complementary to Biologics business and our portfolio as a whole
- Pleased with initial progress on integrations
- Addition of cell and gene therapy CDMO services to CRL's comprehensive portfolio is resonating with clients
- CRL clients beginning to explore opportunities to streamline their biologics development workflows by using Cognate/Vigene's services
- Cognate/Vigene's legacy clients already looking to utilize other CRL products and services to drive greater efficiency in their development and manufacturing activities

Cognate & Vigene Acquisitions, cont.

- Believe the acquisition of Vigene Biosciences, with its viral vector-based gene delivery solutions, fulfills our objective to create a comprehensive cell and gene therapy portfolio which spans each of the major CDMO platforms:
  - Gene-modified cell therapy
  - Viral vector
  - Plasmid DNA production
- In combination with Cognate's Memphis-based operations, have established an end-to-end, gene-modified cell therapy solution in the US
  - Believe this is critical to support clients more seamlessly
- Goal is to enable clients to conduct analytical testing, process development, and manufacturing for these advanced drug modalities with the same scientific partner
- Enables clients to achieve their goal of driving greater efficiency and accelerating speed to market

Execution of Strategy is Vital to Success

- As a result of successful execution of our strategy to date, believe our portfolio is the strongest it has ever been
- Efforts to enhance scientific capabilities, deliver flexible outsourcing solutions, and provide greater value to clients have made CRL an important partner for clients
- With biopharma industry benefiting from record funding levels, we are experiencing robust demand for our essential products and services
- To support this demand, and continue to enhance the value we provide to clients, will continue to move our growth strategy forward
- Acquisitions and strategic partnerships remain vital components, as we endeavor to expand the scientific expertise, global reach, and innovative technologies we can offer clients across all three business segments
- Investing in scientific capabilities, as well as internally in necessary staff, resources, and our digital enterprise, will help ensure that we can meet clients' needs
- Successful execution of our strategy will not only enable us to enhance our position as clients' partner of choice from concept, to non-clinical development, to safe manufacture of life-saving therapeutics; it will also allow CRL to achieve our longer-term financial targets of low-double-digit organic revenue growth and an average of ~50 bps of operating margin improvement beyond 2021

2Q21 Results

($ in millions)	2Q21	2Q20	YOY Δ	Organic Δ
Revenue	$914.6	$682.6	34.0%	24.1%
GAAP OM%	15.0%	11.2%	380 bps	
Non-GAAP OM%	20.8%	17.3%	350 bps	
GAAP EPS	$1.72	$1.34	28.4%	
Non-GAAP EPS	$2.61	$1.58	65.2%	

- Very pleased with another strong performance in 2Q21
  - Robust revenue and EPS growth outperformed our prior outlook
- Organic revenue growth (included 8% related to last year's COVID-19 impact) and operating margin expansion were primary drivers behind EPS growth
  - Results also reflect a favorable comparison to 2Q20, and the peak of the COVID-related impact and client disruptions

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

Increased 2021 Guidance

	Current
Revenue growth, reported	20.5% - 22.5%
Revenue growth, organic	13% - 15%
GAAP EPS	$6.55 - $6.80
Non-GAAP EPS	$10.10 - $10.35

- Based on strong 2Q21 results and expectation for the underlying strength of demand to continue, increased full-year financial guidance
- Expect organic revenue growth in a range of 13-15% for FY 2021
- Primarily as a result of enhanced growth prospects, and to a lesser extent a favorable tax rate, raised EPS guidance by $0.35 to a range of $10.10-10.35
  - Represents YOY growth of 24-27%

2021 Segment Revenue Outlook

	2021 Reported Revenue Growth	2021 Organic Revenue Growth
RMS	Low-20% range	High-teens
DSA	Mid-teens	Low-double digits
Manufacturing	Low- to mid-40% range	High-teens
Consolidated CRL	20.5% - 22.5%	13% - 15%

- Updated segment outlook reflects the strong business environment
- For RMS, continue to expect organic revenue growth in the high-teens, driven by:
  - Recovery in research model order activity from the COVID-19 impact last year
  - Exceptional growth in China

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

2021 Segment Revenue Outlook, cont.

- For DSA, outlook is unchanged, with low-double-digit organic revenue growth reflecting continued strength in early-stage research activity
- For Manufacturing, now expect high-teens organic revenue growth, based on:
  - Exceptionally strong demand in Biologics, driven primarily by cell and gene therapy
  - Increasing contribution from Microbial Solutions, expected to return to at least low-double digit growth for FY 2021
  - Including Cognate and Vigene Biosciences acquisitions, Manufacturing's reported revenue growth rate expected to be in the low- to mid-40% range

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

Operating Margin Outlook

- Expectations for segment contributions remain mostly unchanged from prior outlook
  - RMS operating margin meaningfully above 25% for FY 2021
  - DSA in the mid-20% range
  - Manufacturing slightly below the prior, mid-30% outlook, principally reflecting the addition of Vigene in late June

Unallocated Corporate Expenses

($ in millions)	2Q21	1Q21	2Q20
GAAP	$66.3	$61.6	$42.2
Non-GAAP	$51.2	$51.2	$41.8

- Lower unallocated corporate costs (as a % of revenue) contributed to 2Q21 margin expansion, totaling 5.6% of total revenue, compared to 6.1% of revenue last year
  - Scalable infrastructure enables us to drive greater efficiencies, even as we continue to make investments to support the growth of our businesses and meet the needs of our clients
- Continue to expect non-GAAP unallocated corporate costs to be in the mid-5% range as a percent of revenue for FY 2021
- GAAP unallocated corporate costs expected to be ~6% of total revenue

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

Tax Rate

	2Q21	1Q21	2Q20
GAAP	29.5%	3.6%	19.4%
Non-GAAP	20.4%	14.5%	21.0%

- 2Q21 non-GAAP tax rate declined 60 bps from last year
  - Decrease was due to a favorable excess tax benefit associated with stock-based compensation, which resulted from increased equity exercise and award activity at higher stock price levels during 2Q21
  - Benefit partially offset by higher tax expense associated with a U.K. tax law change
- Reducing FY 2021 non-GAAP tax rate outlook to a range of 19.5%-20.5%, from prior outlook in the low-20% range, principally driven by higher benefit from stock-based compensation
- GAAP tax rate expected to continue to be in the low-20% range

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

Net Interest Expense

($ in millions)	2Q21	1Q21	2Q20
GAAP interest expense, net	$16.0	$29.7	$19.1
Non-GAAP interest expense, net	$15.9	$3.7	$19.1
Adjustments for foreign exchange forward contract and related interest expense(1)	$4.9	$13.4	$ —
Adjusted net interest expense	$20.8	$17.1	$19.1

- Total adjusted net interest expense for 2Q21 increased sequentially and YOY, due to higher debt balances primarily to fund the Cognate acquisition
- At the end of 2Q21, total outstanding debt was $2.7B, representing a gross leverage ratio of 2.56x and a net leverage ratio of 2.5x

(1) 2Q21 amounts reported in total adjusted interest expense include $5.4M gain on forward contract partially offset by ~$0.1M of additional interest expense.

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Capital Structure

- Subsequent to the end of 2Q21, completed the acquisition of Vigene Biosciences on June 28th
- Gross leverage ratio remained below 3x on a pro forma basis, including Vigene
  - Attribute this to robust free cash flow generation that enabled debt repayment ahead of expectations
- For 2021, expect total adjusted net interest expense to be slightly lower than prior outlook, in a range of $82-$85M, primarily reflecting accelerated debt repayment
- For 2021, GAAP interest expense expected to be in a range of $90-$93M

Cash Flow

($ in millions)	2Q21	2Q20	2021 Outlook
Free cash flow (FCF)	$140.2	$135.5	~$500
Capex	$46.4	$26.8	~$220
Depreciation	$35.1	$29.4	$145-$150
Amortization (1)	$33.0	$27.8	~$130

- Free cash flow increased 3.5% YOY; primary drivers were strong 2Q21 operating performance and distributions from VC investments
  - In view of robust results in 1H21, increased FCF outlook by $65M for FY 2021
- 2Q21 YOY increase in capex due to timing of projects; investments slowed or deferred during COVID-19 disruptions last year are now back on track
  - Continue to expect capex of ~$220M for FY 2021

(1) Amortization of intangible assets only. Excludes amortization of inventory fair value adjustments included in cost of products sold or costs of services provided.

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2021 Revised Guidance Summary

	GAAP	Non-GAAP
Revenue growth	20.5%-22.5% reported	13%-15% organic(1)
Operating margin	Above 2020 level	Approximately 21%
Unallocated corporate	~6% as a % of revenue	Mid-5% range as a % of revenue
Net interest expense (total)	$90M-$93M	$82M-$85M
Tax rate	Low-20% range	19.5%-20.5%
EPS	$6.55-$6.80	$10.10-$10.35
Cash flow	Operating cash flow ~$720M	Free cash flow ~$500M
Capital expenditures	~$220M	~$220M

(1) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions and foreign currency translation

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

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3Q21 Outlook

	3Q21 Outlook
Reported revenue growth YOY	Low-20% growth
Organic revenue growth YOY	Low-to-mid-teens growth
Non-GAAP EPS growth YOY	Low-double-digit growth vs. 3Q20

- 3Q21 outlook reflects a continuation of the strong demand environment
  - Expect growth rates will normalize from 2Q21 levels because we have anniversaried the peak of COVID-19-related revenue loss
- Not forecasting a meaningful difference between 1H21 and 2H21 organic growth rates after normalizing for last year's COVID impact
  - Believe robust demand environment is showing no signs of abating
- DSA operating margin in 3Q20 included a 50-bps benefit from a Discovery milestone payment, which will impact YOY comparison

Concluding Remarks

- Very pleased with 2Q21 results, which included another quarter of robust revenue, earnings and free cash flow growth
- Continue to be focused on continued execution of our strategy and achieving our financial and operational targets, which will move us forward toward our longer-term targets for 2024

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2Q21 Regulation G Financial Reconciliations

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]
(in thousands, except percentages)

	Three Months Ended		Six Months Ended	
	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Research Models and Services				
Revenue	$ 176,694	$ 116,549	$ 353,604	$ 262,545
Operating income	42,580	3,844	87,515	31,217
Operating income as a % of revenue	24.1 %	3.3 %	24.7 %	11.9 %
Add back:				
Amortization related to acquisitions	5,346	5,919	10,685	11,571
Severance	-	509	7	500
Acquisition related adjustments [2]	520	292	976	577
Site consolidation costs, impairments and other items	-	30	-	259
Total non-GAAP adjustments to operating income	$ 5,866	$ 6,750	$ 11,668	$ 12,907
Operating income, excluding non-GAAP adjustments	$ 48,446	$ 10,594	$ 99,183	$ 44,124
Non-GAAP operating income as a % of revenue	27.4 %	9.1 %	28.0 %	16.8 %
Depreciation and amortization	$ 9,844	$ 9,126	$ 19,523	$ 17,878
Capital expenditures	$ 8,512	$ 6,621	$ 11,495	$ 12,033
Discovery and Safety Assessment				
Revenue	$ 540,094	$ 442,564	$ 1,041,272	$ 881,247
Operating income	104,514	72,241	195,463	144,524
Operating income as a % of revenue	19.4 %	16.3 %	18.8 %	16.4 %
Add back:				
Amortization related to acquisitions	21,176	23,128	43,824	46,135
Severance	928	3,481	1,340	3,564
Acquisition related adjustments [2]	404	1,095	5,674	2,384
Site consolidation costs, impairments and other items	146	2,934	293	2,934
Total non-GAAP adjustments to operating income	$ 22,654	$ 30,638	$ 51,131	$ 55,017
Operating income, excluding non-GAAP adjustments	$ 127,168	$ 102,879	$ 246,594	$ 199,541
Non-GAAP operating income as a % of revenue	23.5 %	23.2 %	23.7 %	22.6 %
Depreciation and amortization	$ 43,588	$ 41,101	$ 88,196	$ 82,431
Capital expenditures	$ 20,473	$ 16,175	$ 37,513	$ 30,904
Manufacturing Solutions				
Revenue	$ 197,819	$ 123,471	$ 344,297	$ 245,851
Operating income	56,717	42,930	106,154	84,042
Operating income as a % of revenue	28.7 %	34.8 %	30.8 %	34.2 %
Add back:				
Amortization related to acquisitions	7,812	2,217	10,026	4,464
Severance	535	1,396	829	1,652
Acquisition related adjustments [2]	686	(423)	728	(421)
Site consolidation costs, impairments and other items	-	-	40	-
Total non-GAAP adjustments to operating income	$ 9,033	$ 3,190	$ 11,623	$ 5,695
Operating income, excluding non-GAAP adjustments	$ 65,750	$ 46,120	$ 117,777	$ 89,737
Non-GAAP operating income as a % of revenue	33.2 %	37.4 %	34.2 %	36.5 %
Depreciation and amortization	$ 13,952	$ 6,236	$ 20,521	$ 12,602
Capital expenditures	$ 13,602	$ 3,037	$ 20,712	$ 8,198

CONTINUED ON NEXT SLIDE

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]
(in thousands, except percentages)

	Three Months Ended		Six Months Ended	
	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
CONTINUED FROM PREVIOUS SLIDE				
Unallocated Corporate Overhead	$ (66,261)	$ (42,247)	$ (127,879)	$ (88,734)
Add back:				
Severance	-	-	(151)	-
Acquisition related adjustments [2]	15,064	869	25,624	7,852
Other items [3]	-	(463)	-	(750)
Total non-GAAP adjustments to operating expense	$ 15,064	$ 406	$ 25,473	$ 7,102
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (51,197)	$ (41,841)	$ (102,406)	$ (81,632)
Total				
Revenue	$ 914,607	$ 682,584	$ 1,739,173	$ 1,389,643
Operating income	137,550	76,768	261,253	171,049
Operating income as a % of revenue	15.0 %	11.2 %	15.0 %	12.3 %
Add back:				
Amortization related to acquisitions	34,334	31,264	64,535	62,170
Severance	1,463	5,386	2,025	5,716
Acquisition related adjustments [2]	16,674	1,833	33,002	10,392
Site consolidation costs, impairments and other items [3]	146	2,501	333	2,443
Total non-GAAP adjustments to operating income	$ 52,617	$ 40,984	$ 99,895	$ 80,721
Operating income, excluding non-GAAP adjustments	$ 190,167	$ 117,752	$ 361,148	$ 251,770
Non-GAAP operating income as a % of revenue	20.8 %	17.3 %	20.8 %	18.1 %
Depreciation and amortization	$ 68,106	$ 57,208	$ 129,613	$ 114,468
Capital expenditures	$ 46,431	$ 26,800	$ 74,461	$ 52,521

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

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

(3) Other items relate to third-party costs, net of insurance reimbursements, incurred during the three and six months ended June 27, 2020 associated with the remediation of the unauthorized access into the Company's information systems which was detected in March 2019.

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 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Net income attributable to common shareholders	$ 88,448	$ 67,435	$ 149,978	$ 118,204
Add back:				
Non-GAAP adjustments to operating income (Refer to previous schedule)	52,617	40,984	99,895	80,721
Write-off of deferred financing costs and fees related to debt financing	110	-	26,089	-
Venture capital and strategic equity investment (gains) losses, net	(9,809)	(23,911)	6,910	(11,876)
Other [2]	(572)	-	(2,942)	-
Tax effect of non-GAAP adjustments:				
Non-cash tax provision related to international financing structure [3]	1,285	1,113	2,320	2,186
Enacted tax law changes	10,036	-	10,036	-
Tax effect of the remaining non-GAAP adjustments	(8,316)	(6,020)	(29,329)	(17,824)
Net income attributable to common shareholders, excluding non-GAAP adjustments	$ 133,799	$ 79,601	$ 262,957	$ 171,411
Weighted average shares outstanding - Basic	50,297	49,553	50,138	49,371
Effect of dilutive securities:				
Stock options, restricted stock units and performance share units	1,037	693	1,087	747
Weighted average shares outstanding - Diluted	51,334	50,246	51,225	50,118
Earnings per share attributable to common shareholders:				
Basic	$ 1.76	$ 1.36	$ 2.99	$ 2.39
Diluted	$ 1.72	$ 1.34	$ 2.93	$ 2.36
Basic, excluding non-GAAP adjustments	$ 2.66	$ 1.61	$ 5.24	$ 3.47
Diluted, excluding non-GAAP adjustments	$ 2.61	$ 1.58	$ 5.13	$ 3.42

(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) Includes adjustments related to the gain on an immaterial divestiture and the finalization of the annuity purchase related to the termination of the Company's U.S. pension plan.

(3) 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 June 26, 2021	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	34.0 %	51.6 %	22.0 %	60.2 %
Decrease (increase) due to foreign exchange	(3.9)%	(5.2)%	(3.0)%	(5.4)%
Contribution from acquisitions [2]	(6.0)%	(1.9)%	(0.9)%	(28.2)%
Non-GAAP revenue growth, organic [3]	**24.1 %**	**44.5 %**	**18.1 %**	**26.6 %**

Six Months Ended June 26, 2021	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	25.2 %	34.7 %	18.2 %	40.0 %
Decrease (increase) due to foreign exchange	(3.4)%	(4.6)%	(2.7)%	(4.7)%
Contribution from acquisitions [2]	(3.3)%	(2.1)%	(0.6)%	(14.2)%
Non-GAAP revenue growth, organic [3]	**18.5 %**	**28.0 %**	**14.9 %**	**21.1 %**

(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) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions and foreign exchange.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 25, 2021E

2021 GUIDANCE	CURRENT	PRIOR
Revenue growth, reported	20.5% – 22.5%	19% – 21%
Less: Contribution from acquisitions (1)	~(5.0%)	(4.5%) – (5.0%)
Unfavorable/(favorable) impact of foreign exchange	~(2.5%)	~(2.5%)
Revenue growth, organic (2)	13% – 15%	12% – 14%
GAAP EPS estimate	$6.55 – $6.80	$5.95 – $6.20
Acquisition-related amortization (3)	$1.90 – $2.00	$2.15 – $2.40
Acquisition and integration-related adjustments (4)	$0.70 – $0.80	$0.75 – $0.80
Other items (5)	$0.70 – $0.75	~$0.55
Venture capital and other strategic investment losses/(gains), net (6)	$0.10	$0.25
Non-GAAP EPS estimate	$10.10 – $10.35	$9.75 – $10.00
Free cash flow (7)	~$500 million	~$435 million

Footnotes to Guidance Table:

(1) The contribution from acquisitions reflects only those acquisitions that have been completed.

(2) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions and foreign currency translation.

(3) Acquisition-related amortization includes an estimate of $0.05-$0.10 for the impact of the Vigene acquisition because the preliminary purchase price allocation has not been completed.

(4) 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.

(5) These items primarily relate to charges of a) approximately $0.30 associated with U.S. and international tax legislation, and b) approximately $0.40 associated with debt extinguishment costs and the write-off of deferred financing costs related to debt refinancing.

(6) Venture capital and other strategic investment performance only includes recognized gains or losses. The Company does not forecast the future performance of these investments.

(7) Reconciliation of the current 2021 free cash flow guidance is as follows: Cash flow from operating activities of approximately $720 million, less capital expenditures of approximately $220 million, equates to free cash flow of approximately $500 million.

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

(in thousands, except percentages)

	Three Months Ended March 27, 2021
Unallocated Corporate Overhead	$ (61,618)
Add back:	
Severance	(151)
Acquisition related adjustments [2]	10,560
Total non-GAAP adjustments to operating expense	$ 10,409
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (51,209)

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

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (UNAUDITED) [1]
(in thousands)

	Three Months Ended			Six Months Ended	
	June 26, 2021	March 27, 2021	June 27, 2020	June 26, 2021	June 27, 2020
Income before income taxes & noncontrolling interests	$ 127,496	$ 66,302	$ 83,952	$ 193,798	$ 139,411
Add back:					
Amortization related to acquisitions	34,334	30,201	31,264	64,535	62,170
Severance	1,463	562	5,386	2,025	5,716
Acquisition related adjustments [2]	16,674	16,328	1,833	33,002	10,392
Site consolidation costs, impairments and other items [3]	146	187	2,501	333	2,443
Write-off of deferred financing costs and fees related to debt financing	110	25,979	-	26,089	-
Venture capital and strategic equity investment (gains) losses, net	(9,809)	16,719	(23,911)	6,910	(11,876)
Other [4]	(572)	(2,370)	-	(2,942)	-
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	$ 169,842	$ 153,908	$ 101,025	$ 323,750	$ 208,256
Provision for income taxes (GAAP)	$ 37,580	$ 2,367	$ 16,284	$ 39,947	$ 20,906
Non-cash tax benefit related to international financing structure [5]	(1,285)	(1,035)	(1,113)	(2,320)	(2,186)
Enacted tax law changes	(10,036)	-	-	(10,036)	-
Tax effect of the remaining non-GAAP adjustments	8,316	21,013	6,020	29,329	17,824
Provision for income taxes (Non-GAAP)	$ 34,575	$ 22,345	$ 21,191	$ 56,920	$ 36,544
Total rate (GAAP)	29.5 %	3.6 %	19.4 %	20.6 %	15.0 %
Total rate, excluding specified charges (Non-GAAP)	20.4 %	14.5 %	21.0 %	17.6 %	17.5 %

(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.

(3) Other items relate to third-party costs, net of insurance reimbursements, incurred during the three and six months ended June 27, 2020 associated with the remediation of the unauthorized access into the Company's information systems which was detected in March 2019.

(4) Includes adjustments related to the gain on an immaterial divestiture and the finalization of the annuity purchase related to the termination of the Company's U.S. pension plan.

(5) 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 TAX RATE GUIDANCE [(1)]

	Fiscal Year Ended December 25, 2021E
GAAP Tax Rate	**Low 20% range**
Charges associated with changes to U.S. and international tax legislation	(~2.0%)
Non-GAAP Tax Rate	**19.5%-20.5%**

(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.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE[1]

(in thousands)

	Three Months Ended			Fiscal Year Ended
	June 26, 2021	March 27, 2021	June 27, 2020	December 25, 2021E
GAAP Interest expense, net	$ 16,019	$ 29,684	$ 19,076	$90,000-$93,000
Exclude:				
Write-off of deferred financing costs and fees related to debt financing	(110)	(25,979)	-	(26,000)
Non-GAAP Interest expense, net	15,909	3,705	19,076	64,000-67,000
Adjustments for foreign exchange forward contract and related interest expense, net [2]	4,907	13,356	-	18,000
Adjusted Interest expense, net	$ 20,816	$ 17,061	$ 19,076	$82,000-$85,000

(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 $5.4 million gain on a forward contract and $0.1 million of additional interest expense for the three months ended June 26, 2021; and a $14.0 million gain on a forward contract and $0.1 million of additional interest expense for the three months ended March 27, 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)

	June 24, 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	$ 2,730,261	$ 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	$ 53,038	$ 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)	—	—	—	—	—	—	—	—	—
Total Indebtedness per credit agreement	$ 2,633,298	$ 1,982,112	$ 1,888,924	$ 1,671,047	$ 1,145,402	$ 1,238,630	$ 864,401	$ 780,691	$ 673,576	$ 676,200
Less: Cash and cash equivalents (net of $150M above)	(72,969)	(228,424)	(238,014)	(195,442)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)	(109,685)
Net Debt	$ 2,560,329	$ 1,753,688	$ 1,650,910	$ 1,475,605	$ 981,608	$ 1,121,004	$ 746,454	$ 620,668	$ 517,649	$ 566,515

	March 27, 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	$ 396,078	$ 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	27,807	—	—	—	—	—	—	—	—	—
Less: Aggregate non-cash amount of nonrecurring gains	(1,423)	(1,361)	(310)	—	—	(685)	(9,878)	(2,048)	—	—
Plus: Interest expense	101,496	76,825	79,586	65,258	29,777	27,709	15,072	11,950	20,969	33,342
Plus: Provision for income taxes	100,849	81,808	50,023	54,996	171,369	66,835	43,391	46,685	32,142	24,894
Plus: Depreciation and amortization	250,069	234,924	198,095	161,779	131,159	126,658	94,881	96,445	96,636	81,275
Plus: Non-cash nonrecurring losses	11,790	16,810	427	559	17,716	6,792	10,427	1,615	4,202	12,283
Plus: Non-cash stock-based compensation	62,504	56,341	57,271	47,346	44,003	43,642	40,122	31,035	24,542	21,855
Plus: Permitted acquisition-related costs	40,859	18,750	34,827	19,181	6,687	22,653	13,451	6,285	1,752	3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions	36,732	8	12,320	15,648	690	18,573	9,199	10,787	—	253
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 1,026,761	$ 848,408	$ 684,259	$ 591,140	$ 524,756	$ 466,942	$ 365,978	$ 329,452	$ 283,071	$ 274,873

	March 27, 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)	2.56x	2.34x	2.76x	2.83x	2.2x	2.7x	2.4x	2.4x	2.4x	2.5x
Net leverage ratio (net debt divided by adjusted EBITDA)	2.5x	2.1x	2.4x	2.5x	1.9x	2.4x	2.0x	1.9x	1.8x	2.1x

	March 27, 2021	December 26, 2020
INTEREST COVERAGE RATIO:		
Capital Expenditures	204,728	166,560
Cash Interest Expense	101,631	77,145
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	8.09x	8.84x

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(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 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; employee stock compensation; historical EBITDA of companies acquired during the period; and other items identified by the company.

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

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

	Three Months Ended		Six Months Ended		Fiscal Year Ended
	June 26, 2021	June 27, 2020	June 26, 2021	June 27, 2020	December 25, 2021E
Net cash provided by operating activities	$ 186,590	$ 162,306	$ 356,819	$ 230,896	~$720,000
Less: Capital expenditures	(46,431)	(26,800)	(74,461)	(52,521)	(~220,000)
Free cash flow	$ 140,159	$ 135,506	$ 282,358	$ 178,375	~$500,000

(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.

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