2Q 2017 Results

August 9, 2017

Charles River Laboratories

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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

- Positive factors which contributed to the strong start to the year continued in 2Q17
- CRL has the ability to support clients from target discovery through non-clinical development
  - Improves the effectiveness and efficiency of our clients' drug research process
  - Believe our capabilities are unmatched by other CROs
- Clients recognize the advantages of working with CRL, as evidenced by the fact that we worked on more than 70% of all drugs approved by the FDA in 2016
- To enhance our position as the premier early-stage research partner, intend to:
  - Continue to expand our unique portfolio
  - Add to our management and scientific bench strength
  - Implement systems that provide critical data for internal and client use
- Focused on the successful execution of our strategy and delivering value to shareholders

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2Q17 Revenue

($ in millions)	2Q17	2Q16	YOY Δ
Net revenue, reported	$469.1	$434.1	8.1%
Less: Contribution from acquisitions			(3.9)%
Add: Impact of CDMO divestiture			1.0%
Add: FX			1.9%
Net revenue, organic			7.1%

- Our portfolio delivered strong organic growth within our guidance range of 7%-8.5%
- Biotech and Other and Global Accounts were the primary drivers of revenue growth

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

2Q17 Operating Margin

From Continuing Operations ($ in Millions)	2Q17	2Q16	YOY Δ
GAAP OM%	17.3%	13.4%	390 bps
Non-GAAP OM%	20.0%	19.5%	50 bps

- DSA segment was the primary driver of the YOY operating margin increase
- RMS margin declined primarily due to volume and to investments in China to expand capacity
- Manufacturing margin declined slightly, due in part to investments we are making to support growth in our Biologics Testing Solutions (Biologics) business
- Both RMS and Manufacturing margins were well within our targeted ranges

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

2Q17 EPS

From Continuing Operations	2Q17	2Q16	YOY Δ
GAAP EPS	$1.12	$0.73	53.4%
Non-GAAP EPS	$1.29	$1.20	7.5%

- Normalizing both periods for gains on venture capital investments and the excess tax benefit associated with stock compensation, YOY increase was due to leverage from higher revenue

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

2017 Guidance Update
(from Continuing Operations)

- Remain enthusiastic about the outlook for 2017 and continue to invest in growth, both through facility expansions and additional staffing
- Demand for our products and services is robust and we continue to gain market share
- Supports our expectation for organic revenue growth in a range from 7%-8.5%
- Non-GAAP EPS in a range of $5.00-$5.15

DSA Results – Revenue

($ in millions)	2Q17	2Q16	YOY Δ
Net revenue, reported	$252.1	$221.1	14.0%
Less: Contribution from acquisitions			(6.9%)
Add: FX			2.2%
Net revenue, organic			9.3%

- Legacy Discovery Services continued to improve, with revenue up slightly over 2Q16, and Agilux again performing better than expected
- Organic growth for the Safety Assessment (SA) business was in the low-double digits YOY

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

DSA Results – Revenue, cont.

- Early Discovery business recently delivered its 76th development candidate to a client, enhancing our reputation for scientific expertise in the discovery of new molecules
- Based on our track record, new business development structure implemented last year, and targeted sales initiatives, proposal volumes have increased and we are winning new business, especially from biotechs
- Improvement is not apparent in the 2Q17 growth rate because, as mentioned previously, a number of large, integrated programs were completed without immediate start-up of new programs
  - May continue to be the case until our large biopharma clients outsource work more consistently
- Very pleased with the improvement in new business wins

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DSA Results – Revenue, cont.

- Also pleased with the progress the business development team is making to encourage clients to place work which integrates our Discovery and SA services
- Currently have a number of combined programs underway, including one with Nimbus Therapeutics (announced in April)
  - After working with Nimbus for a number of years, we formalized a multi-year strategic partnership to collaborate from initial hit identification through SA
- Successfully demonstrating to clients that working with CRL through a broader portion of the early-stage research process enhances the value we provide, both from a scientific and cost-effectiveness perspective

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Acquisition of Brains On-Line

- Acquired Brains On-Line, a leading CRO that provides critical data to advance novel CNS therapeutics
- Considered the world's premier provider of microdialysis
  - Measures drug and neurotransmitter levels in the brain to provide valuable information about efficacy of CNS drugs
- Also offers sophisticated *in vivo* efficacy and pharmacokinetics testing
- Acquisition expands our existing CNS capabilities and establishes CRL as the premier single-source provider for a broad portfolio of discovery CNS services
- Adds three sites to our Discovery footprint: 2 in Europe and 1 in the South San Francisco biohub
  - Increases the opportunity for clients to work side-by-side with CRL's scientists

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Acquisition of Brains On-Line, cont.

- Revenue contribution from Brains On-Line is ~0.5% of total CRL revenue on an annualized basis
- Expect it will be neutral to GAAP and non-GAAP EPS in both 2017 and 2018
- Brains On-Line is a strategic acquisition that enhances our ability to support clients' early-stage drug research in this critical therapeutic area
- Strategic acquisition remains our preferred use of capital
- Will continue to build out our portfolio in order to enhance our competitive strength

DSA Results – Revenue, cont.

- Strong bookings and backlog in 1Q17 gave us confidence that revenue growth for SA would improve from the 1Q17 level, which it did, to the low-double digits
- Continued bookings and backlog in 2Q17 support our current expectation that the SA revenue growth rate for the year will be at or near 10%
- As we have often noted, growth in the business is not linear
  - Likely to see low-double-digit growth in some quarters and high-single-digit growth in others
- Critical factor is that clients are increasingly choosing CRL as their early-stage drug research partner, relying on us to provide the scientific expertise they need rather than maintaining or building these capabilities in-house
- We expect continued growth in demand for outsourced services and market share gains will drive growth in our SA business

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DSA Results – Revenue, cont.

- Also noted in May that based on 1Q17 bookings, expected 2Q17 revenue growth would be driven by demand from both global biopharma and biotech clients, and that the growth rate for biotech clients would increase in 2Q17
- Revenue growth rate for biotech clients was robust in 2Q17; significantly higher than in 1Q17
- Biotech funding from the capital markets was robust in 2Q17, exceeding both 1Q17 and 2Q16 levels
  - ~25 biotech companies launched IPOs in 1H17, compared to ~30 in all of 2016
- Believe that the willingness of the markets, VCs, and global biopharma to fund biotech is a clear indicator that biotechs are identifying promising new therapeutics with the potential to treat or cure diseases that were previously untreatable
- View is supported by FDA approval of 28 novel drugs through 8/3/17, a greater number than in all of 2016
  - Testament to the strength of pipelines

DSA Results – Operating Margin

From Continuing Operations	2Q17	2Q16	YOY Δ
DSA GAAP OM%	20.5%	14.6%	590 bps
DSA Non-GAAP OM%	23.7%	21.2%	250 bps

- Margin improvement primarily driven by SA
  - Price increases and mix improvement
  - WIL, as we continue to make progress on the planned cost synergies
  - FX benefited the margin by 100 bps

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

RMS Results – Revenue

($ in millions)	2Q17	2Q16	YOY Δ
Revenue, reported	$124.0	$125.1	(0.8%)
Add: FX			1.8%
Revenue, organic			1.0%

- As noted in February, Research Animal Diagnostic Services (RADS) business benefited from special projects in 2016 which were not expected to recur in 2017, resulting in a challenging YOY comparison
  - Will continue to affect comparisons for the remainder of 2017
- 2Q17 revenue growth was driven by both Research Models and Research Model Services

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

RMS Results – Revenue, cont.

- For Research Models, China performance was outstanding, offsetting slightly lower revenue for North American and Europe, due primarily to lower demand from global clients
- In Research Model Services, both Genetically Engineered Models and Services (GEMS) and Insourcing Solutions (IS) delivered strong performances
- Clients are using new technologies like CRISPR to create more new models faster, and partnering with our GEMS business because we provide extensive scientific expertise and a more flexible and cost-efficient alternative to maintaining capabilities in-house
- The IS revenue increase was due primarily to expansion of existing contracts

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RMS Revenue Outlook

- Expect FY17 RMS revenue growth rate will be in the low-single-digit range, because in addition to the RADS issue, revenue for research models in North American and Europe will decline slightly, and growth in China will be capacity constrained in 2H17
- Demand for our research models in China has accelerated much faster than expected, as clients recognize that CRL produces a superior product and provides better services and support, and we gain market share
- As previously noted, we are expanding production capacity with a new site in the Shanghai area
- Accelerated our expansion plan and expect to have sufficient capacity to meet the increased demand by early 2018

RMS Long-Term Outlook

- Now expect that over the long-term, RMS segment revenue growth rate will be in the low-single digits
- Because it is mature, do not expect research models business outside of China will be a material contributor to growth
- Growth will be driven primarily by China, as it becomes a more material contributor to the RMS segment, and by opportunities in the RM Services businesses
- At a low-single-digit revenue growth rate, expect that the RMS segment will continue to generate strong cash flow which we plan to reinvest in our growth businesses

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RMS Results – Operating Margin

From Continuing Operations	2Q17	2Q16	YOY Δ
RMS GAAP OM%	27.1%	28.3%	(120 bps)
RMS Non-GAAP OM%	27.4%	28.9%	(150 bps)

- Margin decline was due primarily to RADS, and to the research models businesses in North America and Europe
  - Both the production and services businesses are highly leveraged to volume, so the margin is impacted when volume is lower
- Continue to identify opportunities to streamline RMS operations
  - Automation of manual processes and implementation of systems to improve data availability and accuracy

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

Manufacturing Results – Revenue

($ in millions)	2Q17	2Q16	YOY Δ
Net revenue, reported	$93.0	$87.9	5.8%
Less: Contribution from acquisitions			(1.9%)
Add: Impact of CDMO divestiture			4.8%
Add: FX			1.4%
Net revenue, organic			10.1%

- Growth was driven by the Microbial Solutions and Biologics businesses

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

Mfg. Results – Microbial Solutions

- Primary driver of revenue growth for Microbial Solutions was Endosafe® testing systems and cartridges, and Accugenix® microbial identification (ID) services
- As in 1Q17, higher Endosafe® cartridge sales were driven by the continued expansion of the installed base of machines
- Revenue from microbial ID services increased significantly as we continued to raise our profile with clients in Europe and Asia
- Advantages of our unique portfolio, which includes both rapid endotoxin and bioburden testing systems and microbial ID, continue to resonate with clients
- Optimistic that our ability to provide a total microbial testing solution will be a driver of our goal for Microbial Solutions to continue to deliver at least low-double-digit organic revenue growth for the foreseeable future

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Manufacturing Results – Biologics

- Very pleased that the Biologics business again reported robust revenue growth in 2Q17
  - Biologics supports the manufacture of biologic drugs, including process development and quality control
- Recognizing that biologics would represent a larger percentage of drugs in development, we were determined to invest in the business in order to position it to compete effectively as both the number of drugs increased and clients outsourced more services
- For the last few years, have invested in staff in order to enhance our scientific expertise; in our facilities, so that we had the capacity to accommodate more work; and in our sales force and go-to-market strategy
- Also expanded our Biologics portfolio through the acquisition of Blue Stream, in order to provide a comprehensive portfolio of services to support biologic and biosimilar development

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Manufacturing Results – Biologics, cont.

- Demand for our services has increased as clients recognize the value the Biologics portfolio provides and our flexibility in structuring working relationships
- We have been adding small tranches of capacity in order to accommodate the larger volume of work as we won new business, and based on the strong demand for our services, are planning a moderately larger expansion this year
- Although our expansion projects put pressure on the Manufacturing margin in 2Q17, believe that investment in our Biologics business is particularly important now, when more work is being outsourced and we can gain share to support our growth in coming years

Manufacturing – Operating Margin

From Continuing Operations	2Q17	2Q16	YOY Δ
Manufacturing GAAP OM%	31.2%	30.8%	40 bps
Manufacturing Non-GAAP OM%	34.2%	35.4%	(120 bps)

- Margin decline was due to our expansion projects, to increased staffing costs to support future growth, and to lower revenue in the Avian business
- Despite the decline, very pleased with the operating margin, which continued to exceed our long-term, low-30% target

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

2Q17 Summary

- Offering our unique, early-stage portfolio, world-class scientific expertise, and best-in-class client service at an effective price has been the cornerstone of our value proposition for clients, which has clearly resonated with them
- 2Q17 results put CRL right on track to achieve our guidance for the year
  - Organic revenue growth was 7.1%
  - Achieved 50 bps of operating margin expansion
  - EPS increased at a high-single-digit rate when adjusting for gains from venture capital investments and the excess tax benefit

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Creating Value for Clients and Shareholders

- Very pleased with the performance of the collective portfolio
  - Will continue to be quarterly variations in segment growth rates, but we expect the consolidated portfolio will deliver high-single-digit organic revenue growth, EPS at a higher rate than revenue, and strong free cash flow
- Intend to continue to focus on enhancing the three primary factors that differentiate CRL from the competition:
  - Expand our unique portfolio of essential products and services, increasing our relevance to our clients' drug research, development, and manufacturing efforts
  - Expand and enhance our scientific expertise and depth, which we believe is unique and unparalleled in the early-stage CRO universe
  - Maintain our intense focus on efficiency and responsiveness, enabling us to provide exceptional, flexible service to clients without adding significant cost

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Creating Value for Clients and Shareholders

- Continuing to make investments in facilities and significantly increasing staff, which will continue to differentiate CRL as the CRO partner of choice for early-stage drug research
- Support our future growth

2Q17 Results

From Continuing Operations ($ in Millions)	2Q17	2Q16	YOY Δ	Organic Δ
Revenue	$469.1	$434.1	8.1%	7.1%(1)
GAAP OM%	17.3%	13.4%	390 bps	
Non-GAAP OM%	20.0%	19.5%	50 bps	
GAAP EPS	$1.12	$0.73	53.4%	
Non-GAAP EPS	$1.29	$1.20	7.5%	

- 2Q17 results exceeded prior outlook for revenue growth, non-GAAP operating margin, and non-GAAP EPS
- Organic revenue growth continued to track within our guidance range of 7%-8.5% for the year
  - Low-double digit organic growth in the SA business
  - Continued strong growth in both the Microbial Solutions and Biologics businesses
  - RMS growth moderated in 2Q17, as anticipated

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

(1) Organic revenue growth calculation excludes one week of WIL revenue (or ~$5M) in 2Q17 because we did not own WIL for the first week of 2Q16.

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2Q17 Results, cont.

- 2Q17 non-GAAP operating margin met our long-term target of 20% in 2Q17
  - Increased by 50 basis points year-over-year, primarily as a result of a 250-basis-point increase in the DSA non-GAAP operating margin
- In addition to strong operating performance, 2Q17 non-GAAP EPS was also aided by:
  - $0.03 gain on venture capital investments
  - $0.03 excess tax benefit associated with stock compensation
- Not forecasting a contribution from venture capital investments for the remainder of 2017
  - Did not previously forecast any additional contribution in May

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

2Q17 Results, cont.

- 2Q17 excess tax benefit associated with stock compensation was higher than previously anticipated because our stock price appreciated by 12.5% to above $100 per share
  - Resulted in additional option exercise activity during the quarter
  - In May, we did not forecast a meaningful contribution beyond the 1Q17 contribution
  - Based on the current stock price, we believe the benefit associated with additional option exercise activity will be nominal for the remainder of the year

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

Foreign Exchange (FX) Impact

- Favorable movements in FX rates contributed to the revenue outperformance in 2Q17
  - Several foreign currencies strengthened versus the U.S. dollar during the quarter
- FX also contributed ~100 basis points to the DSA operating margin in 2Q17
  - Margin benefit expected to be lower in 2H17 because we have anniversaried the weakening of the British pound associated with Brexit
- For the year, FX now expected to be an ~1% headwind to reported revenue growth
  - Favorable to our previous outlook of ~2%-2.5% headwind
- Favorable FX movements have no effect on our organic growth rate, but increased our reported revenue growth guidance to 8.5%-10% in 2017

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

Unallocated Corporate Overhead

($ in millions)	2Q17	1Q17	2Q16
GAAP	$33.0	$33.5	$36.9
Non-GAAP	$31.8	$33.5	$29.6

- YOY increase reflects personnel investments over the past year
- Unallocated corporate expenses continue to track to our FY17 target of ~7% of total revenue
  - Below FY16 level

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

Net Interest Expense

($ in millions)	2Q17	1Q17	2Q16
GAAP	$7.2	$6.8	$8.7
Non-GAAP	$7.2	$6.8	$7.2

- Slight sequential increase due to higher borrowing costs associated with the Federal Reserve's rate increase in March
- For the year, we continue to expect net interest expense to be at the low end of our initial guidance range of $29M-$31M

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

Tax Rate

	2Q17	1Q17	2Q16
GAAP	28.9%	39.8%	34.6%
Non-GAAP	29.4%	22.0%	29.9%

- 2Q17 non-GAAP tax rate favorable to our expectations due to $1.3M (or $0.03 per share) excess tax benefit associated with stock compensation
  - Excluding this benefit, the non-GAAP tax rate was above the 30% level that we had expected for the remainder of the year
    - Primarily as a result of venture capital investment gains that are taxed at the higher U.S. rate

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

Tax Rate, cont.

- For the year, 2017 GAAP tax rate now expected to be in a range of 31%-32%
  - Prior outlook was 32%-33%
  - Higher GAAP rate due to 1Q17 tax impact of CDMO divestiture
- For the year, non-GAAP tax rate now expected to be in a range of 27%-28%
  - Prior outlook in May was at the lower end of our original guidance range of 28%-29%
- Favorable 2017 outlook due to:
  - Additional excess tax benefit from stock compensation in 2Q17
  - Discrete benefit related to a tax audit settlement that we expect to record in 3Q17
    - Expect 3Q17 tax rate to decrease sequentially from 2Q17, primarily due to this discrete tax benefit

Cash Flow

($ in millions)	2Q17	2Q16	2017 Outlook
Free cash flow	$90.1 (1)	$68.3 (2)	$265-$275 (1)
Capex	$16.0	$11.8	$75-$85
Depreciation	$22.0	$21.1	~$90
Amortization	$9.8	$11.2 (3)	~$40

($ in millions)	YTD17	YTD16
Free cash flow	$108.9 (1)	$105.9 (2)
Capex	$31.9	$20.0
Depreciation	$43.7	$39.4
Amortization	$20.6	$17.6 (3)

See ir.criver.com 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 and $6.5M in YTD17 & FY17, which was recorded in cash flows from operating activities.

(2) Effective in 1Q17, prior-year cash flow amounts were recast to reflect the retrospective adoption of new accounting standards (ASU 2016-09, ASU 2016-15, ASU 2016-18).

(3) Amortization excludes inventory purchase accounting adjustment.

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Capital Priorities

- Strategic acquisitions remain our top capital priority
  – Continuously evaluate acquisition candidates that will enhance or expand our scientific capabilities and supplement organic growth
- Brains On-Line another example of our disciplined capital deployment
  – Initial purchase price of €18M (or ~$21M at current exchange rates)
  – Acquisition does not meaningfully increase our leverage ratio
- Continue to modestly repay debt
  – Expect to generate interest savings for the balance of the year
  – Repaid $54.7M of debt in 2Q17, reducing our leverage ratio to 2.3x[1]
  – With leverage ratio below 2.5x, we expect to benefit from a lower borrowing rate in 3Q17 because the interest rate spread will decrease by 12.5 bps to LIBOR+112.5 bps

(1) Pro forma leverage ratio (total debt-to-EBITDA) is calculated according to the definition in CRL's credit agreement, which was filed with the SEC on Form 8-K on April 5, 2016.

Capital Priorities, cont.

- Repurchased 244K shares at a total cost of $22.5M in 2Q17
  - $165.1M available on stock repurchase program at the end of 2Q17

2H17/FY17 Outlook

- Expect SA, Microbial Solutions, and Biologics to be the primary drivers of growth in 2H17
  - Partially offset by softness in the RMS segment
- Expect 2H17 RMS organic revenue growth to be essentially flat
  - Primarily due to RADS project that ended in 2016 (compresses the annual RMS growth by ~1%)
  - Slightly lower revenue in the research models business in North America and Europe
  - Slower growth in China due to capacity constraints
- FY17 RMS organic revenue growth expected to be in the low-single digits
- Lower revenue growth will put pressure on the RMS operating margin in 2H17
  - FY17 RMS operating margin will remain in the high-20% range, but will be moderately lower than in 2016

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2H17/FY17 Outlook, cont.

- Expect FY17 organic revenue growth will be:
  - DSA segment: Near 10%
  - Manufacturing segment: 10% or higher
- On a consolidated basis, non-GAAP operating margin in FY17 will approach our long-term goal of 20%
  - Manufacturing segment will be the largest contributor to operating margin improvement in FY17
  - Lower corporate spending as a % of revenue YOY

Updated 2017 Guidance
(from Continuing Operations)

From Continuing Operations	REVISED	PRIOR
Revenue growth, reported	8.5%-10.0%	7.5%-9.0%
Revenue growth, organic	7.0%-8.5%	7.0%-8.5%
GAAP EPS	$4.18-$4.33	$4.18-$4.33
Non-GAAP EPS	$5.00-$5.15	$5.00-$5.15

- Increased reported revenue growth guidance primarily reflects favorable movements in FX rates
- Reaffirmed our non-GAAP EPS guidance for the year
  - Represents low-double-digit non-GAAP EPS growth YOY
  - Incremental 2Q17 contributions from venture capital investments and the excess tax benefit associated with stock compensation are expected to be offset by softer outlook for RMS and investments in facility expansions and staffing in several businesses to support future growth

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

3Q17 Outlook

	3Q17 Outlook
Revenue growth (reported & organic)	High-single-digit YOY growth vs. 3Q16
Non-GAAP EPS	Slight increase vs. 3Q16

- Revenue outlook reflects stronger DSA segment growth compared to ~5% organic growth in 3Q16

Concluding Remarks

- We have invested in our portfolio, strengthened our scientific and management bench, and focused on becoming a more efficient organization over the last several years
- Our goal is to enhance our clients' journey with us as their trusted scientific partner and continue to strengthen our position as the leading, integrated early-stage CRO
- Remain on track to deliver FY17 financial results in line with our original outlook for the year
  - Organic revenue growth in the high-single digits
  - Non-GAAP operating margin approaching 20%
  - Non-GAAP EPS growth in the low-double digits
- While the segment mix may shift from quarter-to-quarter or year-to-year, our broad portfolio of essential products and services positions us to deliver high-single-digit organic revenue growth and operating margin improvement in 2017 and over the longer term

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Appendix

2Q17 Results Regulation G Financial Reconciliations

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SCHEDULE 3 (FROM 2Q17 EARNINGS RELEASE)
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]
(in thousands, except percentages)

	Three Months Ended		Six Months Ended	
	July 1, 2017	June 25, 2016	July 1, 2017	June 25, 2016
Research Models and Services				
Revenue	$ 124,002	$ 125,058	$ 251,163	$ 248,397
Operating income	33,579	35,445	71,290	71,831
Operating income as a % of revenue	27.1%	28.3%	28.4%	28.9%
Add back:				
Amortization related to acquisitions	369	596	805	1,184
Government billing adjustment and related expenses	57	69	150	129
Site consolidation costs, impairments and other items	-	69	-	138
Total non-GAAP adjustments to operating income	$ 426	$ 734	$ 955	$ 1,451
Operating income, excluding non-GAAP adjustments	$ 34,005	$ 36,179	$ 72,245	$ 73,282
Non-GAAP operating income as a % of revenue	27.4%	28.9%	28.8%	29.5%
Depreciation and amortization	$ 4,945	$ 5,118	$ 10,037	$ 10,368
Capital expenditures	$ 4,404	$ 2,381	$ 7,007	$ 3,434
Discovery and Safety Assessment				
Revenue	$ 252,092	$ 221,059	$ 479,850	$ 379,042
Operating income	51,690	32,381	90,350	63,211
Operating income as a % of revenue	20.5%	14.6%	18.8%	16.7%
Add back:				
Amortization related to acquisitions	6,905	7,390	14,505	10,485
Severance	76	4,099	272	4,120
Acquisition related adjustments [2]	824	2,838	1,527	3,640
Site consolidation costs, impairments and other items	150	121	559	2,154
Total non-GAAP adjustments to operating income	$ 7,955	$ 14,448	$ 16,863	$ 20,399
Operating income, excluding non-GAAP adjustments	$ 59,645	$ 46,829	$ 107,213	$ 83,610
Non-GAAP operating income as a % of revenue	23.7%	21.2%	22.3%	22.1%
Depreciation and amortization	$ 18,965	$ 18,600	$ 38,334	$ 30,557
Capital expenditures	$ 7,102	$ 4,644	$ 15,425	$ 9,351
Manufacturing Support				
Revenue	$ 93,035	$ 87,938	$ 183,879	$ 161,484
Operating income	29,041	27,121	55,642	46,736
Operating income as a % of revenue	31.2%	30.8%	30.3%	28.9%
Add back:				
Amortization related to acquisitions	2,544	3,475	5,246	6,479
Severance [3]	247	-	1,068	-
Acquisition related adjustments [2]	-	490	26	677
Site consolidation costs, impairments and other items	-	72	-	301
Total non-GAAP adjustments to operating income	$ 2,791	$ 4,037	$ 6,340	$ 7,457
Operating income, excluding non-GAAP adjustments	$ 31,832	$ 31,158	$ 61,982	$ 54,193
Non-GAAP operating income as a % of revenue	34.2%	35.4%	33.7%	33.6%
Depreciation and amortization	$ 5,787	$ 6,525	$ 11,749	$ 12,501
Capital expenditures	$ 1,939	$ 4,256	$ 4,231	$ 6,385

CONTINUED ON NEXT SLIDE

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SCHEDULE 3 (FROM 2Q17 EARNINGS RELEASE)
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]
(in thousands, except percentages)

CONTINUED FROM PREVIOUS SLIDE

	Three Months Ended		Six Months Ended	
	July 1, 2017	June 25, 2016	July 1, 2017	June 25, 2016
Unallocated Corporate Overhead	$ (33,000)	$ (36,886)	$ (66,500)	$ (72,245)
Add back:				
Acquisition related adjustments (2)	1,192	7,260	1,213	11,023
Total non-GAAP adjustments to operating expense	$ 1,192	$ 7,260	$ 1,213	$ 11,023
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (31,808)	$ (29,626)	$ (65,287)	$ (61,222)
Total				
Revenue	$ 469,129	$ 434,055	$ 914,892	$ 788,923
Operating income	$ 81,310	58,061	150,782	109,533
Operating income as a % of revenue	17.3%	13.4%	16.5%	13.9%
Add back:				
Amortization related to acquisitions	9,818	11,461	20,556	18,148
Severance	323	4,099	1,340	4,120
Acquisition related adjustments (2)	2,016	10,588	2,766	15,340
Government billing adjustment and related expenses	57	69	150	129
Site consolidation costs, impairments and other items	150	262	559	2,593
Total non-GAAP adjustments to operating income	$ 12,364	$ 26,479	$ 25,371	$ 40,330
Operating income, excluding non-GAAP adjustments	$ 93,674	$ 84,540	$ 176,153	$ 149,863
Non-GAAP operating income as a % of revenue	20.0%	19.5%	19.3%	19.0%
Depreciation and amortization	$ 31,799	$ 32,353	$ 64,210	$ 57,008
Capital expenditures	$ 15,997	$ 11,791	$ 31,917	$ 20,041

(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) This adjustment relates to transition costs associated with the divestiture of the CDMO business.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SCHEDULE 4 (FROM 2Q17 EARNINGS RELEASE)

RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)(1)

(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 1, 2017	June 25, 2016	July 1, 2017	June 25, 2016
Net income attributable to common shareholders	$ 53,952	$ 35,207	$ 100,730	$ 72,350
Less: Income (loss) from discontinued operations, net of income taxes	(71)	12	(75)	(14)
Net income from continuing operations attributable to common shareholders	54,023	35,195	100,805	72,364
Add back:				
Non-GAAP adjustments to operating income (Refer to Schedule 3)	12,364	26,479	25,371	40,330
Gain on divestiture of CDMO business	-	-	(10,577)	-
Write-off of deferred financing costs and fees related to debt financing	-	1,449	-	1,449
Tax effect of non-GAAP adjustments:				
Tax effect from divestiture of CDMO business	-	-	18,005	-
Tax effect of the remaining non-GAAP adjustments	(4,035)	(5,767)	(8,699)	(10,249)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 62,352	$ 57,356	$ 124,905	$ 103,894
Weighted average shares outstanding - Basic	47,591	47,061	47,569	46,852
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units and restricted stock	751	858	835	939
Weighted average shares outstanding - Diluted	48,342	47,919	48,404	47,791
Earnings per share from continuing operations attributable to common shareholders				
Basic	$ 1.14	$ 0.75	$ 2.12	$ 1.54
Diluted	$ 1.12	$ 0.73	$ 2.08	$ 1.51
Basic, excluding non-GAAP adjustments	$ 1.31	$ 1.22	$ 2.63	$ 2.22
Diluted, excluding non-GAAP adjustments	$ 1.29	$ 1.20	$ 2.58	$ 2.17

(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.

SCHEDULE 5 (FROM 2Q17 EARNINGS RELEASE)
RECONCILIATION OF GAAP REVENUE GROWTH
TO NON-GAAP REVENUE GROWTH, ORGANIC (UNAUDITED) (1)

For the three months ended July 1, 2017	**Total CRL**	**RMS Segment**	**DSA Segment**	**MS Segment**
Revenue growth, reported	8.1%	(0.8%)	14.0%	5.8%
Decrease due to foreign exchange	1.9%	1.8%	2.2%	1.4%
Contribution from acquisitions (2)	(3.9%)	0.0%	(6.9%)	(1.9%)
Impact of CDMO divestiture (3)	1.0%	0.0%	0.0%	4.8%
Non-GAAP revenue growth, organic (4)	**7.1%**	**1.0%**	**9.3%**	**10.1%**

For the six months ended July 1, 2017	**Total CRL**	**RMS Segment**	**DSA Segment**	**MS Segment**
Revenue growth, reported	16.0%	1.1%	26.6%	13.9%
Decrease due to foreign exchange	2.0%	1.8%	2.3%	1.6%
Contribution from acquisitions (2)	(10.9%)	0.0%	(21.4%)	(3.2%)
Impact of CDMO divestiture (3)	0.5%	0.0%	0.0%	2.7%
Non-GAAP revenue growth, organic (4)	**7.6%**	**2.9%**	**7.5%**	**15.0%**

(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 those acquisitions which were completed during fiscal year 2016.

(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 for all applicable periods in 2017 and 2016.

(4) 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 30, 2017E

	2017E Guidance	
	REVISED	**PRIOR**
Revenue growth, reported	**8.5%-10.0%**	**7.5%-9.0%**
Less: Contribution of acquisitions (1)	(~5.0%-6.0%)	(~5.0%-6.0%)
Add: Effect of CDMO divestiture	~1.0%	~1.0%
Less: Negative effect of 53rd week in 2016	~1.5%	~1.5%
Less: Negative effect of foreign exchange	~1.0%	~2.0%-2.5%
Revenue growth, organic (Non-GAAP) (2)	**7.0%-8.5%**	**7.0%-8.5%**
GAAP EPS estimate	**$4.18-$4.33**	**$4.18-$4.33**
Add back:		
Amortization of intangible assets (3)	~$0.58	~$0.58
Charges related to global efficiency initiatives (4)	~$0.02	~$0.02
Acquisition/divestiture-related adjustments (5)	~$0.07	~$0.07
Net impact of CDMO divestiture (6)	~$0.15	~$0.15
Non-GAAP EPS estimate	**$5.00-$5.15**	**$5.00-$5.15**

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.

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

(2) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, the divestiture of the CDMO business, the 53rd week, and foreign currency translation.

(3) This adjustment does not include the impact of amortization of intangible assets related to the Brains On-Line acquisition because the preliminary purchase price allocation has not been completed.

(4) These charges relate primarily to the Company's planned efficiency initiatives in 2017, including site consolidation costs, asset impairments, and severance. Other projects in support of the 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 the divestiture of the CDMO business, and primarily include transaction, advisory, and certain third-party integration costs, as well as certain costs associated with acquisition-related efficiency initiatives.

(6) These adjustments include the preliminary net gain and tax impact related to the divestiture of the CDMO business.

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

	Three Months Ended July 1, 2017	Three Months Ended June 25, 2016 (3)	Six Months Ended July 1, 2017	Six Months Ended June 25, 2016 (3)	Fiscal Year Ended December 30, 2017E
Net cash provided by operating activities	$ 100,323	$ 80,112	$ 134,352	$ 125,956	$340,000-$350,000
Addback: Tax impact of CDMO divestiture (2)	5,800	--	6,500	--	6,500
Less: Capital expenditures	(15,997)	(11,791)	(31,917)	(20,041)	(75,000-85,000)
Free cash flow	$ 90,126	$ 68,321	$ 108,935	$ 105,915	$265,000-$275,000

(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.

(3) Prior-year cash flow amounts have been recast to reflect the retrospective adoption of new accounting standards in 1Q17 (ASU 2016-09, ASU 2016-15, ASU 2016-18).

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

	Three Months Ended		Six Months Ended	
	July 1, 2017	June 25, 2016	July 1, 2017	June 25, 2016
Income from continuing operations before income taxes & noncontrolling interest	$ 76,916	$ 54,390	$ 154,963	$ 105,940
Add back:				
Amortization related to acquisitions	9,818	11,461	20,556	18,148
Severance	323	4,099	1,340	4,120
Acquisition related adjustments (2)	2,016	10,588	2,766	15,340
Government billing adjustment and related expenses	57	69	150	129
Site consolidation costs, impairments and other items	150	262	559	2,593
Gain on CDMO divestiture	-	-	(10,577)	-
Write-off of deferred financing costs and fees related to debt financing	-	1,449	-	1,449
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 89,280	$ 82,318	$ 169,757	$ 147,719
Provision for income taxes (GAAP)	$ 22,243	$ 18,845	$ 53,327	$ 32,820
Tax effect from CDMO divestiture	$ —	$ —	$ (18,005)	$ —
Tax effect of the remaining non-GAAP adjustments	$ 4,035	$ 5,767	$ 8,699	$ 10,249
Provision for income taxes (Non-GAAP)	$ 26,278	$ 24,612	$ 44,021	$ 43,069
Total rate (GAAP)	28.9%	34.6%	34.4%	31.0%
Total rate, excluding specified charges (Non-GAAP)	29.4%	29.9%	25.9%	29.2%

(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 TO NON-GAAP TAX RATE GUIDANCE

	Fiscal Year Ended December 30, 2017E
GAAP Tax Rate	**31.0%-32.0%**
Net impact of divestiture of CDMO business and, to a lesser extent, other adjustments	~(4.0%)
Non-GAAP Tax Rate	**27.0%-28.0%**

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE

(dollars in thousands)

	Three Months Ended		
	July 1, 2017	**April 1, 2017**	**June 25, 2016**
GAAP Interest Expense, net	$ 7,242	$ 6,781	$ 8,687
Exclude:			
Write-off of deferred financing costs and fees related to debt financing	-	-	(1,449)
Non-GAAP Interest Expense, net	$ 7,242	$ 6,781	$ 7,238

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
UNALLOCATED CORPORATE OVERHEAD (UNAUDITED) [(1)]
(in thousands, except percentages)

	Three Months Ended April 1, 2017
Unallocated Corporate Overhead	$ (33,500)
Add back:	
Acquisition related adjustments [(2)]	21
Total non-GAAP adjustments to operating expense	$ 21
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (33,479)

(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 April 1, 2017
Income from continuing operations before income taxes & noncontrolling interest	$ 78,047
Add back:	
Amortization related to acquisitions	10,738
Severance	1,017
Acquisition related adjustments (2)	750
Government billing adjustment and related expenses	93
Site consolidation costs, impairments and other items	409
Gain on divestiture of CDMO business	(10,577)
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 80,477
Provision for income taxes (GAAP)	$ 31,084
Tax effect from divestiture of CDMO business	(18,005)
Tax effect of the remaining non-GAAP adjustments	4,664
Provision for income taxes (Non-GAAP)	$ 17,743
Total rate (GAAP)	39.8%
Total rate, excluding specified charges (Non-GAAP)	22.0%

(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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