JP Morgan 39th Annual Healthcare Conference

January 12, 2021

Charles River Laboratories

James C. Foster
Chairman, President & Chief Executive Officer

charles river

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, including the pace of our M&A activity and re-evaluation of capital projects, 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 2020 and other future financial performance 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 two-year targets; the assumptions surrounding the COVID-19 pandemic 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 and development 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; 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 HemaCare’s, Cellero’s and Distributed Bio’s financial performance and the markets in which they operate; 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, customers, 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 demand, the global economy and financial markets; the ability to successfully integrate businesses we acquire; the ability to execute our cost-savings actions and the steps to optimize returns to shareholders on an effective and timely basis; the timing and magnitude of our share repurchases; negative trends in research and development spending, negative trends in the level of outsourced services, or other cost reduction actions by our clients; the ability to convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in regulations by the FDA, USDA, or other global regulatory agencies; changes in law; changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 11, 2020 and the Quarterly Report on Form 10-Q as filed on October 29, 2020, 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.

Quiet Period Disclaimer

The Company is presently in quiet period pending its fourth-quarter and full-year 2020 earnings and 2021 guidance release in February 2021. As a result, the Company will not comment on financial performance for the fourth quarter of 2020 or guidance for 2021.

The Leading, Early-Stage Contract Research Organization

CRL Worked on

>80%

of FDA-approved drugs over last 3 years

Doubled

revenue and non-GAAP EPS in last 5 years(1)

#1

Market position in Research Models, Safety Assessment & Microbial Solutions

>$15B

Outsourced addressable market

High-Single-Digit

CRL organic revenue growth(2)

85

Novel molecules originated for clients since 1999

~$2.5B

Invested in M&A(3)

>10%

ROIC on M&A since 2016(4)

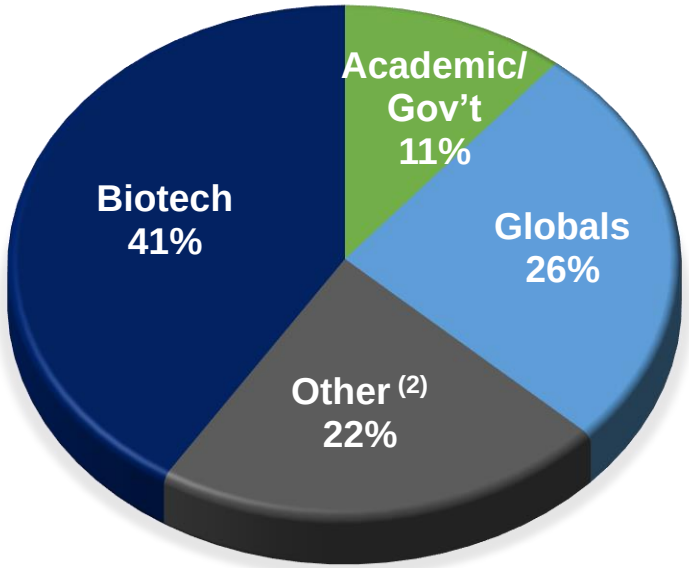
(1) Revenue and non-GAAP EPS increases from FY 2015 to LTM September 2020.
(2) Represents average of FY 2016-LTM September 2020, and 2-year organic revenue growth target.
(3) Cumulative purchase prices for acquisitions from 2016-2020, including Distributed Bio.
(4) ROIC on acquisitions since 2016 excludes recent acquisitions of HemaCare, Cellero, and Distributed Bio (2020).

charles river

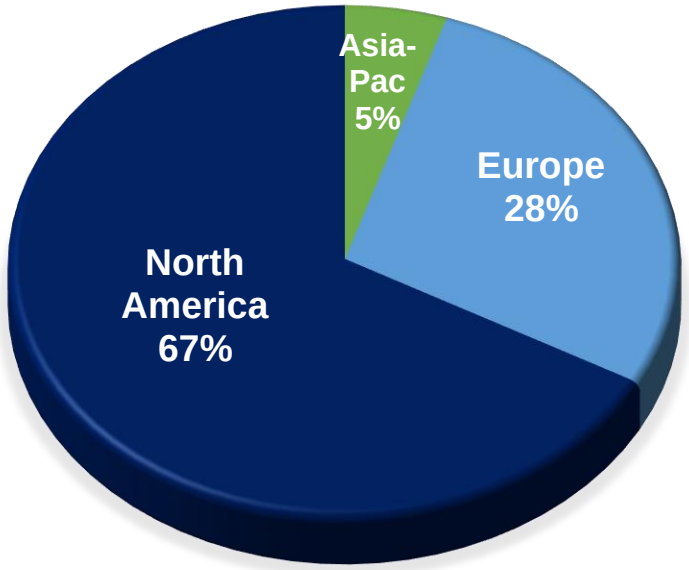
Charles River Overview

- A leading, full-service drug discovery and early-stage development company
  - Revenue of **$2.82B** (LTM September 2020)
- Ability to work with clients to discover new drugs and move downstream with them throughout early-stage development and to support their safe manufacture
- No single commercial client accounts for **>2.5%** of total revenue
- A multinational company with **~18,000** employees worldwide
- Facilities strategically located in **~20** countries, proximate to our major client hubs

Client Base(1)



Geographic Revenue(1)



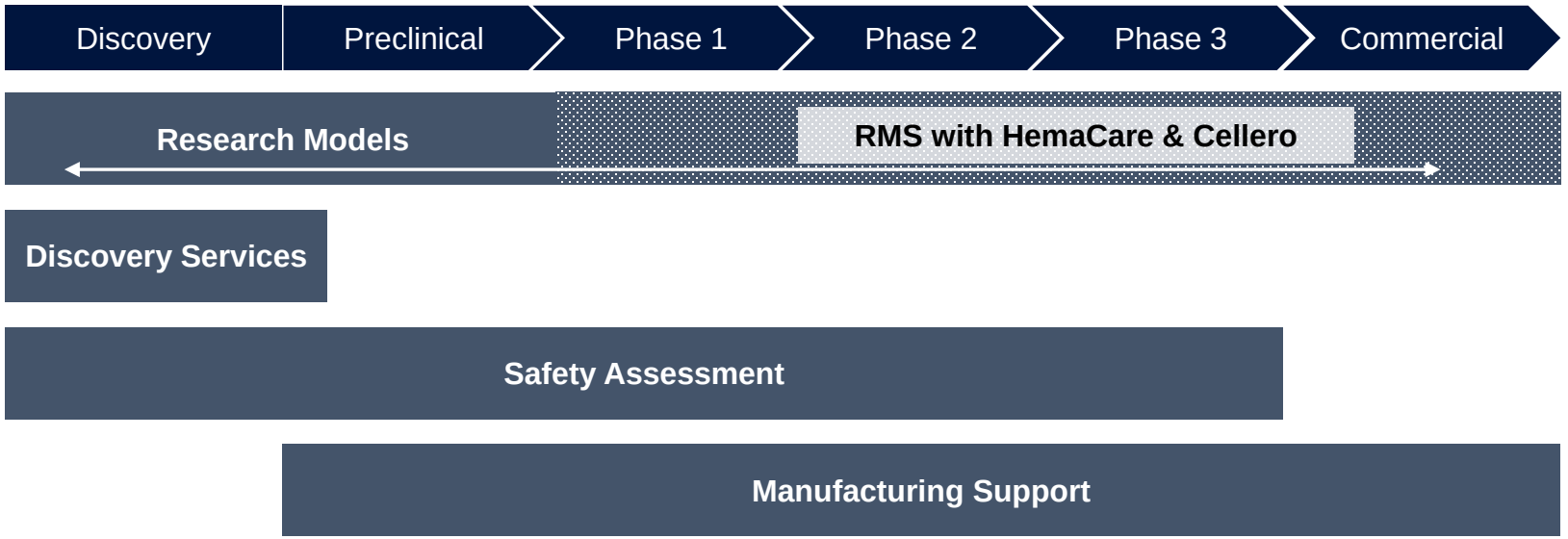
See ir.criver.com for reconciliations of GAAP to non-GAAP results.

(1) Based on CRL's LTM September 2020 revenue.
(2) Other clients include agricultural & industrial chemical, CRO, animal health, life science, CMO, consumer product, and medical device companies.

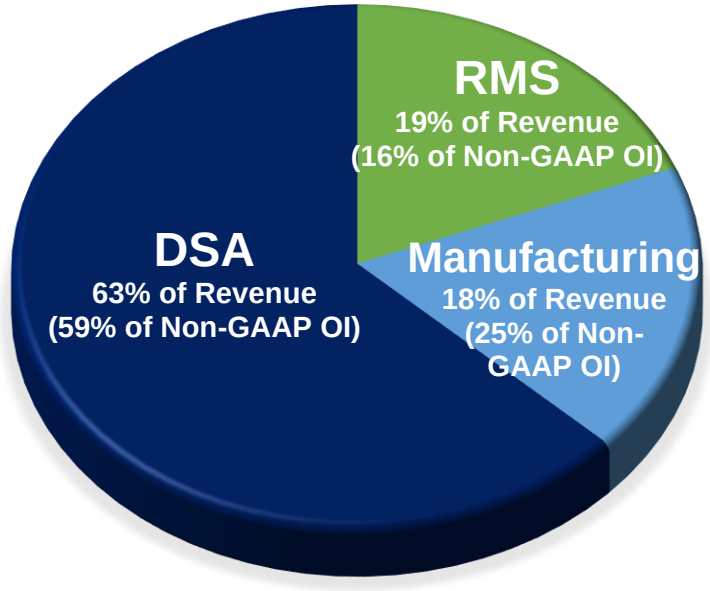
charles river

Our Unique Role in Drug Research

Research & Development Continuum



Business Segments(1)



Only CRO with an integrated portfolio that spans the drug research process from target discovery through nonclinical development

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

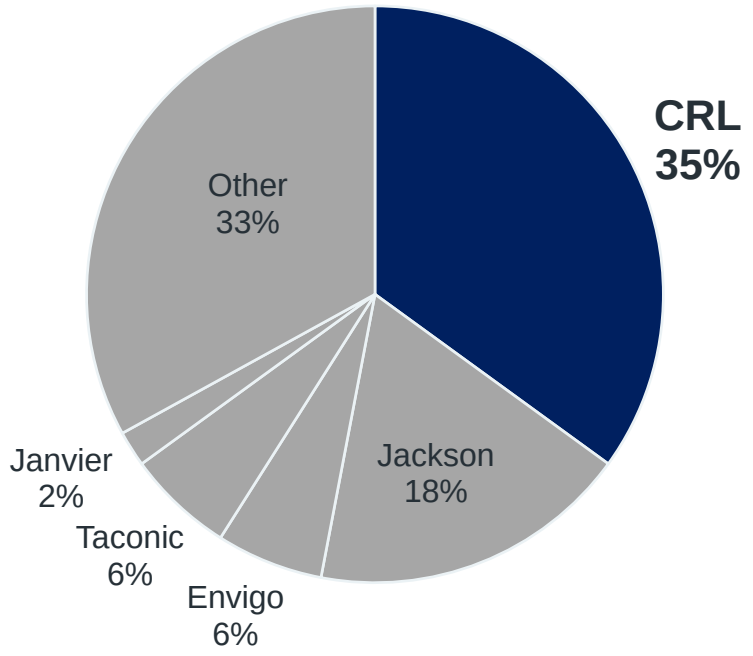
(1) Based on CRL's LTM September 2020 revenue and non-GAAP operating income.

charles river

Research Models and Services (RMS)

- Global leader in breeding and distribution of research models
  - **~1 of every 2 small models** sold in Western markets comes from Charles River
    - Largest selection of the most widely used strains in the world
  - Expertise in **biosecurity** supports production of animals free of known contaminants, reducing risk to critical research
- **Global footprint** with facilities strategically located in close **proximity** to clients
  - Increasing presence in high-growth **China** market
- Premier provider of services that support the use of research models in discovery/development of new molecules
  - Genetically Engineered Models and Services (**GEMS**)
  - Research Animal Diagnostic Services (**RADS**)
  - Insourcing Solutions (**IS**)
- Completed acquisitions of **HemaCare** and **Cellero** in 2020
  - Enhances RMS segment's growth profile and ability to supply **critical research tools** to **cell therapy** developers

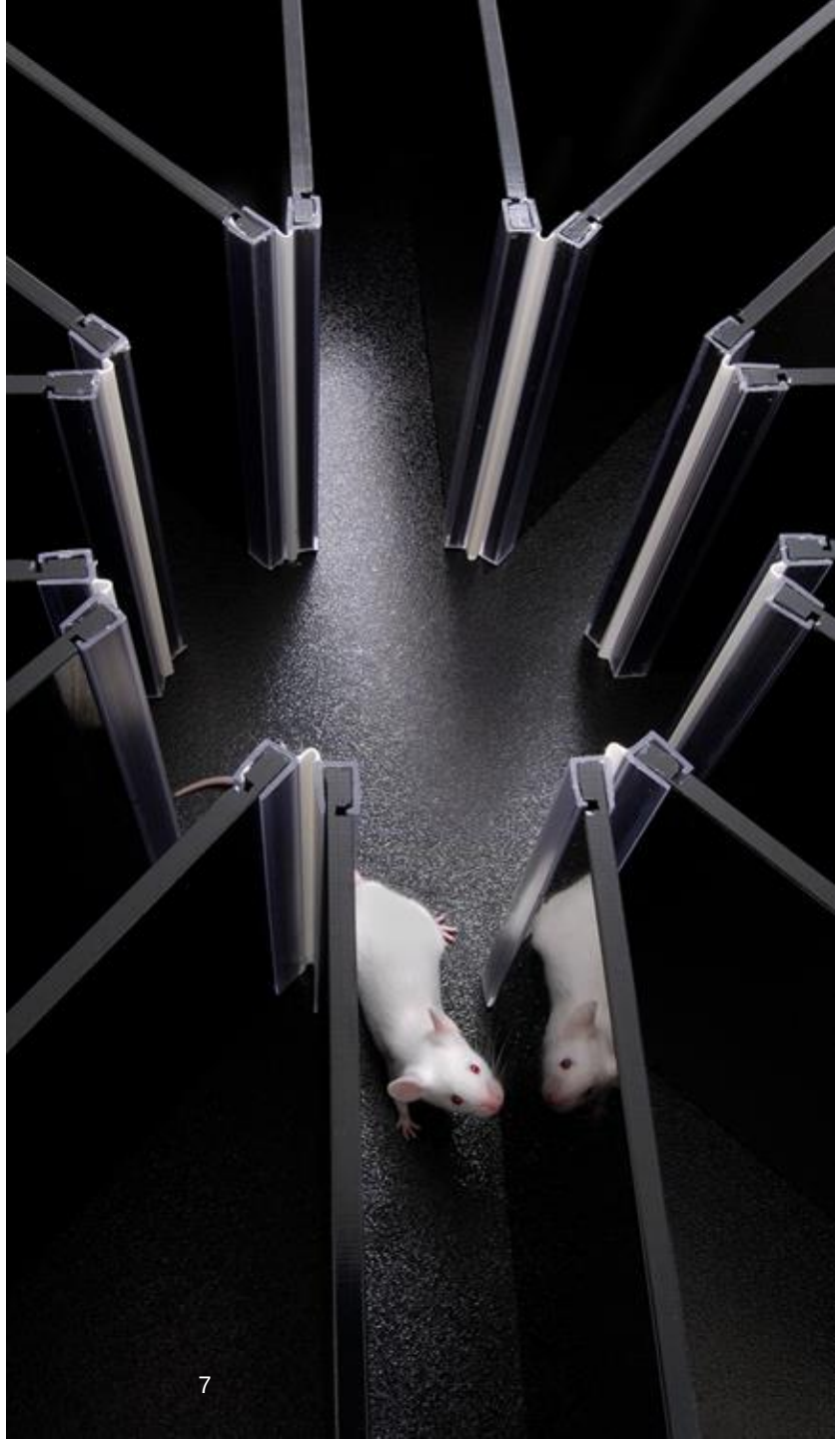
RMS Market Share
(including HemaCare/Cellero & IS)



RMS Current Addressable Market: $1.7B
(including HemaCare/Cellero & IS)

Sources: CRL management estimates.

charles river



Research Models and Services Business Drivers

Research Models and Services (RMS):
19% of Revenue [(1)]
16% of Non-GAAP Operating Income [(1)]

- Build portfolio of **innovative research tools** to address emerging, **high-growth** opportunities, such as **cell and gene therapies**
- **GEMS** increasingly critical role as drug research becomes more complex
- **IS** enables clients to adopt **flexible** solutions to enhance their operational efficiency (i.e. **CRADL**)
- **Price** and **mix** offsetting lower demand for research models in mature markets
- Demand for research models in **China** continues to outpace Western markets
- **DSA** segment is **RMS's largest client** by a wide margin
  - ~5% of global RM unit volume
- Enhanced **digital enterprise** improves efficiency and client experience

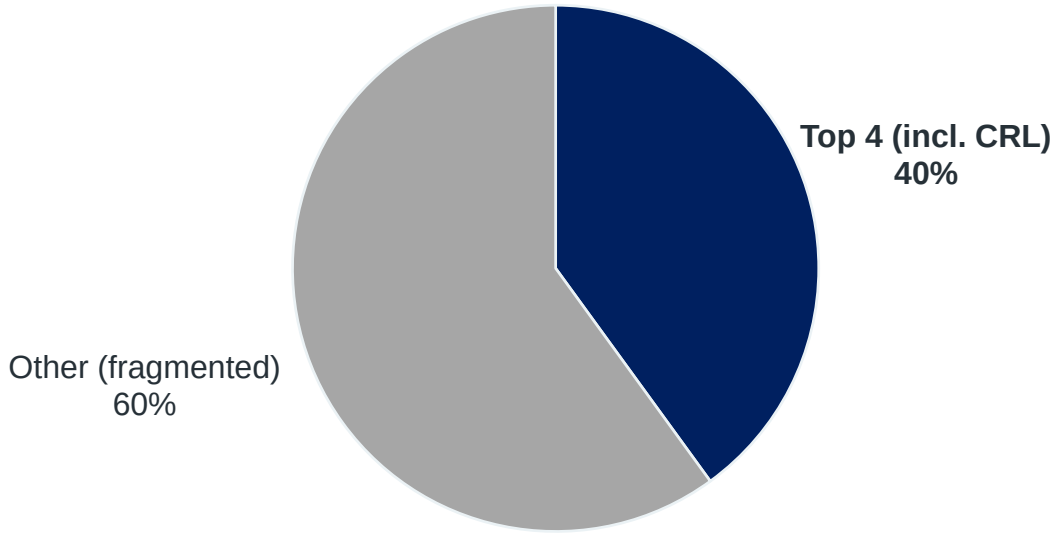
(1) Based on CRL's LTM Sept. 2020 results. See ir.criver.com for reconciliations of GAAP to Non-GAAP results.

charles river

Discovery Services

- A **unique CRO**, offering clients a single source for services across the discovery spectrum
  - Engages with clients earlier in the discovery process
- Integrates **chemistry, *in vitro,* and *in vivo*** capabilities
  - Extensive **medicinal chemistry** and **structural biology** expertise
  - Comprehensive **tumor** and **HTS** (high-throughput screening) libraries
  - **Pharmacology** models for all major disease areas
  - Expertise centered around all major therapeutic areas, including **oncology** and **CNS**
- Early Discovery has discovered **85 novel molecules** for clients since its founding in 1999
- Continuing to expand discovery capabilities through M&A, strategic partnerships, and internal investment
  - Acquired **Distributed Bio** in December 2020 to enhance large molecule discovery capabilities

Outsourced Global Discovery Services Market



~$5-$6B Outsourced Market
Low-Double-Digit Growth
~25% Outsourcing Penetration

Sources: Citeline (Pharmaprojects), Visiongain, Kalorama, L.E.K. Consulting, Factiva, Wall Street research, and CRL management estimates.

charles river

Acquisition of Distributed Bio

- Acquired **Distributed Bio** on December 31st, a next-generation antibody discovery company
  - Culmination of an exclusive partnership initiated in October 2018
  - Purchase price: **$83M** plus up to $21M in contingent payments
- Establishes CRL's premier, integrated, **large molecule discovery** platform with an end-to-end solution for therapeutic antibody discovery and development
  - Distributed Bio's antibody libraries and integrated antibody optimization technologies **expedite the antibody discovery process by several months**

distributed bio

Front-end, large molecule discovery services

charles river

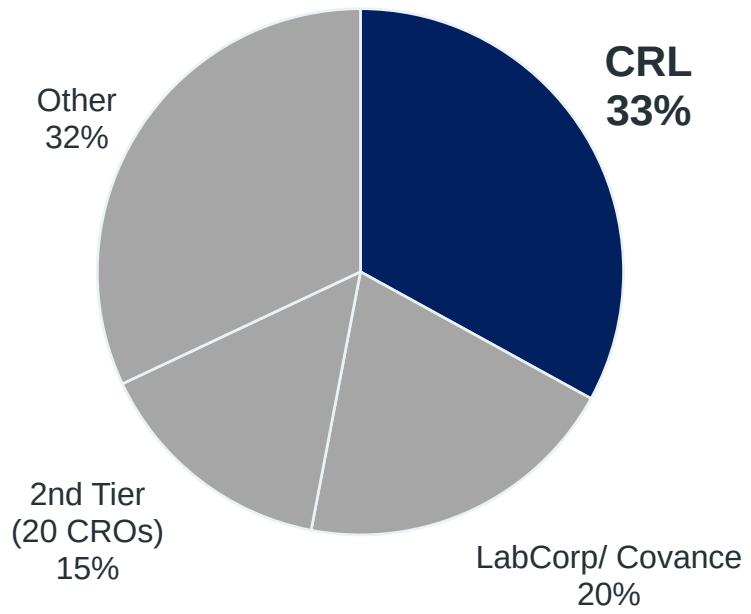
Existing services

charles river

Safety Assessment Services

- **Global leader** in both non-regulated (non-GLP) and regulated (GLP) safety assessment services
- Providing clients with expertise for **integrated drug development**
  - **Non-GLP** efficacy studies
  - **Safety Assessment (SA)**
    - **General** toxicology
    - **Specialty** toxicology
      - Inhalation, infusion, developmental and reproductive, juvenile/ neonatal, ocular, bone, immunotoxicology, and phototoxicology
  - Comprehensive suite of **bioanalytical services**
  - Expert **pathology** services
- Acquisitions of **Citoxlab** (2019), **MPI Research** (2018), and **WIL Research** (2016) have further enhanced CRL's leading market position and solidified our scientific capabilities and global scale in order to fully support our clients' needs

Outsourced Safety Assessment Market



$4.5-$5B Outsourced Market
Mid- to High-Single-Digit Growth
60%+ Outsourcing Penetration

Sources: Wall Street research, L.EK. Consulting, and CRL management estimates.

charles river

Discovery and Safety Assessment Business Drivers

Discovery and Safety Assessment (DSA):
63% of Revenue [(1)]
59% of Non-GAAP Operating Income [(1)]

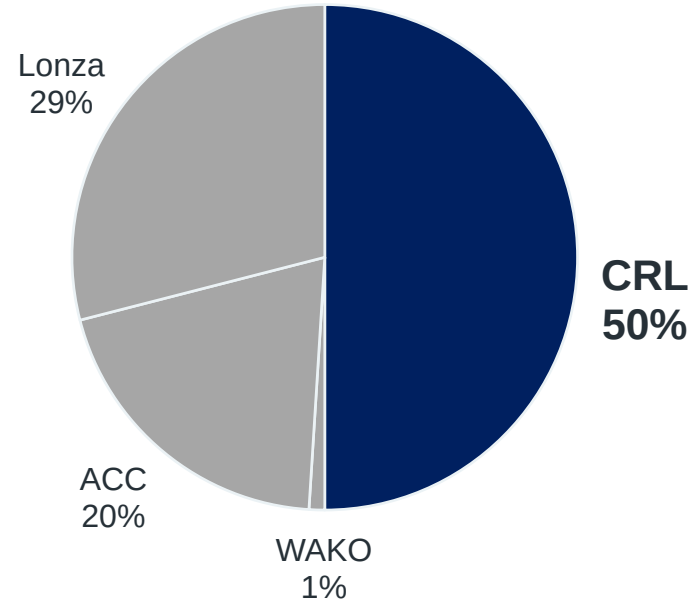
- Robust demand as biopharma clients **augment discovery and safety assessment capabilities**
  - Biotech leveraging CRO expertise to drive **innovation**, instead of building in-house capabilities
  - Large biopharma utilizing CROs like CRL, in place of maintaining internal resources
- CRL **adding innovative capabilities** and **expanding therapeutic area focus** around significant areas of research investment
- **Significant opportunity** to further increase client overlap
  - **~50%** of Discovery clients remain with CRL for safety assessment work
- Importance of **proximity** to global clients with **~30 DSA sites** across our North American and European footprint

(1) Based on CRL's LTM Sept. 2020 results. See ir.criver.com for reconciliations of GAAP to Non-GAAP results.

Microbial Solutions

- Premier global provider of **quality control (QC) testing products** and **services** for **sterile and non-sterile applications**
  - **FDA-mandated** lot release testing for sterile biopharmaceutical products
  - **Product release testing** required by the FDA and other regulatory agencies for non-sterile products
- Product/Service lines:
  - Endosafe® **endotoxin** detection products and services
    - Conventional or rapid (PTS™ platform)
  - Celsis® **rapid microbial** detection
  - Accugenix® **microbial identification** products and services
- Addressable market estimated at nearly **$3B**
  - Microbial Solutions focuses on higher-value testing markets
  - No competitors have a similar comprehensive rapid testing portfolio

Endotoxin Testing Market by Test Volume (~80M tests)

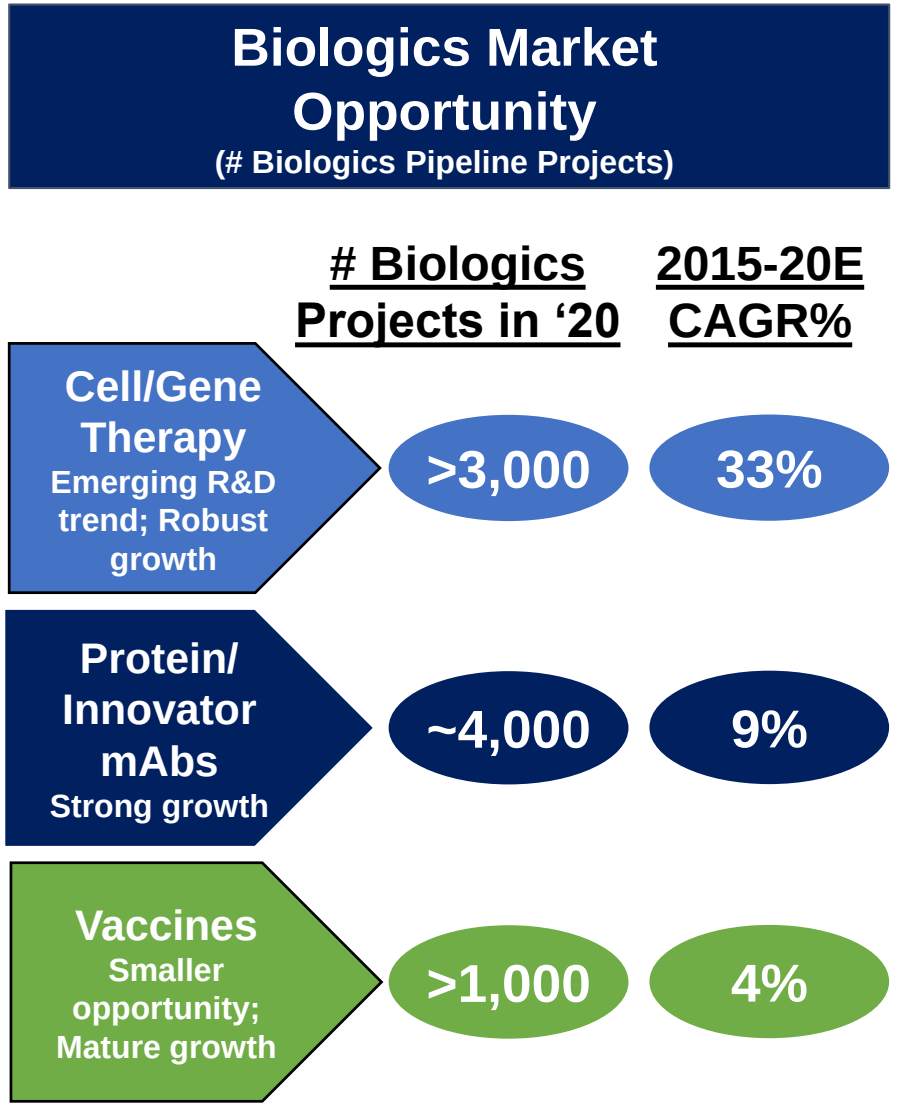


Source: Strategic Consulting, Inc., Industrial Microbiology Market Review, and CRL management estimates.

charles river

Biologics Testing Solutions

- Premier global CRO providing services that support the manufacture of **biologics**, including process development and quality control
- Supports developers and manufacturers with their testing, characterization, and cell bank manufacturing needs
  - Providing **testing and assay development** throughout drug development, clinical and commercial manufacturing, and for final commercial drug product release
- Leveraging our scientific expertise, regulatory compliance, and extensive portfolio to provide **fast, reliable results**
- Outsourced addressable market estimated at **$1.8-$2.0B**
  - Biologics market is growing in the **low-double digits**



Source: Citeline, Visiongain CG&T Report 2018, Biopharma International, Biosimilarpipeline.com, managedcaremag.com, Bioprocess Int. Jrnl., BPTC estimates, CRL management estimates.

charles river

Manufacturing Support Business Drivers

Manufacturing Support:
18% of Revenue (1)
25% of Non-GAAP Operating Income (1)

- **Microbial Solutions**
  - Increased demand for our **rapid, efficient testing platform** for both microbial detection and identification
  - Continuing to drive growth in both sterile biopharma market and non-sterile markets
- **Biologics**
  - Increased number of **biologics** in development
    - Rapid growth of **cell and gene therapies**
    - **COVID-19** vaccines expected to provide modest, incremental benefit
  - Increased demand for outsourced services
- **Avian:** Stable demand for **SPF eggs**

(1) Based on CRL's LTM Sept. 2020 results. See ir.criver.com for reconciliations of GAAP to Non-GAAP results.

charles river

COVID-19: CRL's Resilient Business Model

Effective Business Continuity Plans	➢ Enabled CRL to keep operating sites **open** and **adequately staffed** ▪ Vast majority of our essential staff have been able to work on-site ➢ Effectiveness of our **proactive procurement** initiatives ▪ Secured access to adequate resources and supplies to support our businesses ➢ Moved swiftly to implement temporary cost reduction initiatives to **save ~$40M** in 2020
Flexible Outsourcing Partner	➢ Clients increasingly relied on our **global scale**, broad **scientific capabilities**, and **flexible outsourcing solutions** to move their programs forward in the face of business disruptions or delays at their own sites ▪ Estimated revenue from COVID-19 vaccines and related therapeutics of **~$50M** in 2020 ➢ Expect to retain a meaningful amount of incremental outsourcing work as clients become accustomed to our **faster turnaround times**, **superior science**, and **cost effectiveness**
Focus on Scientific Innovation	➢ **Healthcare** has fared better than many sectors during pandemic since it is playing a **crucial role** in finding biomedical solutions for COVID-19 ➢ **Robust biotech funding** and continued **innovation** is generating scientific breakthroughs across multiple therapeutic areas, including COVID-19 ▪ Benefits CRL's differentiated, early-stage portfolio

CRL has never been so essential to our diverse and growing client base with our unique, non-clinical focus, global scale, and comprehensive scientific capabilities

(1) Source: Wall Street research and CRL management estimates.

Biopharma Innovation Driving Robust Funding Environment

- Biopharma R&D investments continue to **deliver innovative new therapies**, including through the COVID-19 pandemic
- **Biotechs** have become the **innovation engine** for the industry
- Large **biopharma** has **increasingly externalized R&D** for efficiency, productivity, and speed to market
  - Large pharma partnering has funded many of the virtual, small, and mid-size biotech companies
- Multiple sources of **biotech funding** provide balanced access to capital
  - Biotech funding has elongated to **3-4 years**(1) **of cash** on hand due to broad-based investment in the sector

Biotech Funding (Capital Markets/IPOs/VCs)

~$25B	>$100B
2005-09 (avg.)	2020

Source: Wall Street research, BioWorld.

FDA Drug Approvals Per Year

22	53
2005-09 (avg.)	2020

Source: FDA.gov, industry reports.

Preclinical Compounds in the Pipeline

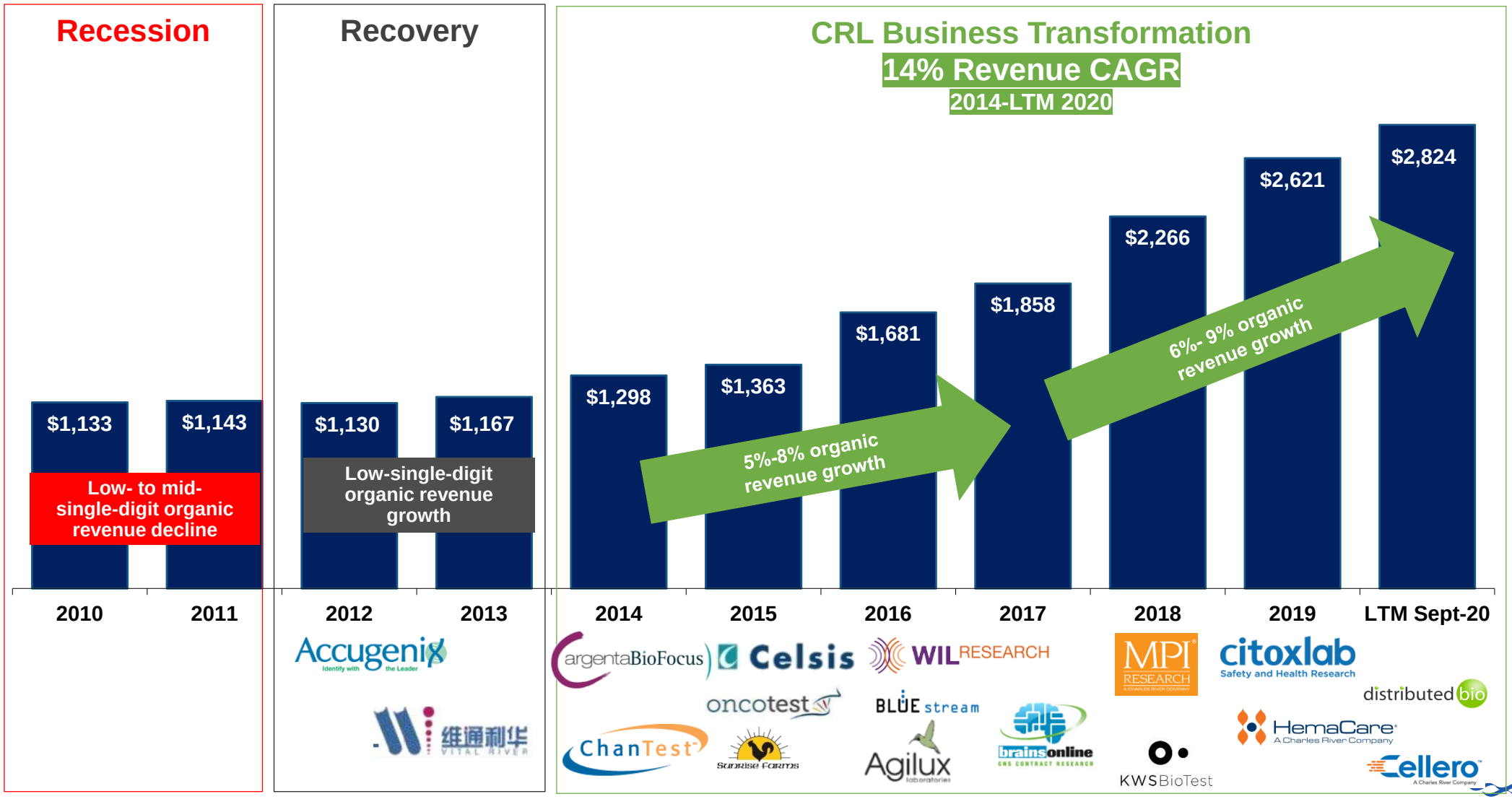
~5,000	>10,000
2009	2020

Source: PharmaProjects/Citeline.

Biopharma industry benefiting from record funding environment and emphasizing greater investment in their preclinical pipelines

(1) Source: Wall Street research and CRL management estimates.

Our Journey to Early-Stage Market Leadership



charles river

Our Strategic Imperatives

1. Strengthen Portfolio

- **Innovate scientifically** to find, assess, validate and access new capabilities and technologies
- Stay abreast of **emerging therapies** and **new modalities** to continue to address clients' evolving scientific needs
  - Leverage portfolio to address shift towards novel biologics, including **cell & gene therapy**, RNA, and antibodies
- Invest in areas with greatest potential for growth through **M&A**, collaboration via **strategic partnerships**, and internal investment
- Measure all M&A against **investment criteria** of:
  - Neutral to **accretive** on a non-GAAP basis in Year 1
  - **ROIC** meets or exceeds cost of capital by Year 3 or 4

Multiple Strategies to Strengthen Portfolio and Enhance Value for Our Clients & Shareholders

Strategic M&A

Remains top priority for capital deployment

WIL RESEARCH · MPI RESEARCH · citoxlab Safety and Health Research

Further enhanced CRL's market-leading position and global scale in safety assessment

distributed bio · Agilux Laboratories · brainsonline CNS CONTRACT RESEARCH · KWS BioTest

Established premier, single-source provider for an integrated portfolio of discovery services

HemaCare A Charles River Company · Cellero A Charles River Company

Expands our scientific capabilities in the high-growth cell therapy market

Invested ~$2.5B in 14 acquisitions since 2016; Generating >10% ROIC(1)

Strategic Partnerships

Add innovative capabilities and cutting-edge technologies with limited upfront risk

- Partnerships and licensing arrangements beneficial in an environment of rapidly evolving technologies
- Highlights of our strategic partnerships include:
  - Distributed Bio* – Discovery (large molecule)
  - Atomwise – Discovery (artificial intelligence)
  - Resero Analytics – DSA (SEND software)
  - Bit Bio – Discovery (translational biology)
  - Fios Genomics – Discovery (bioinformatics)
  - Deciphex – DSA (digital pathology)
  - PathoQuest – Biologics (NGS sequencing)

** Subsequently acquired in December 2020.*

Entered into 10 partnerships to-date with ~$30M invested(2)

Venture Capital Portfolio Companies

Become a preferred CRO to a large group of emerging biotech companies

- Innovative strategy to effectively deploy capital to generate revenue and create value
- CRL's venture capital (VC) relationships have created a two-pronged income stream:
  1. Incremental opportunities to win work with VC portfolio companies that we may not have been able to attract otherwise
  2. Returns from investments with associated VC firms have been attractive, but are a secondary element of these relationships

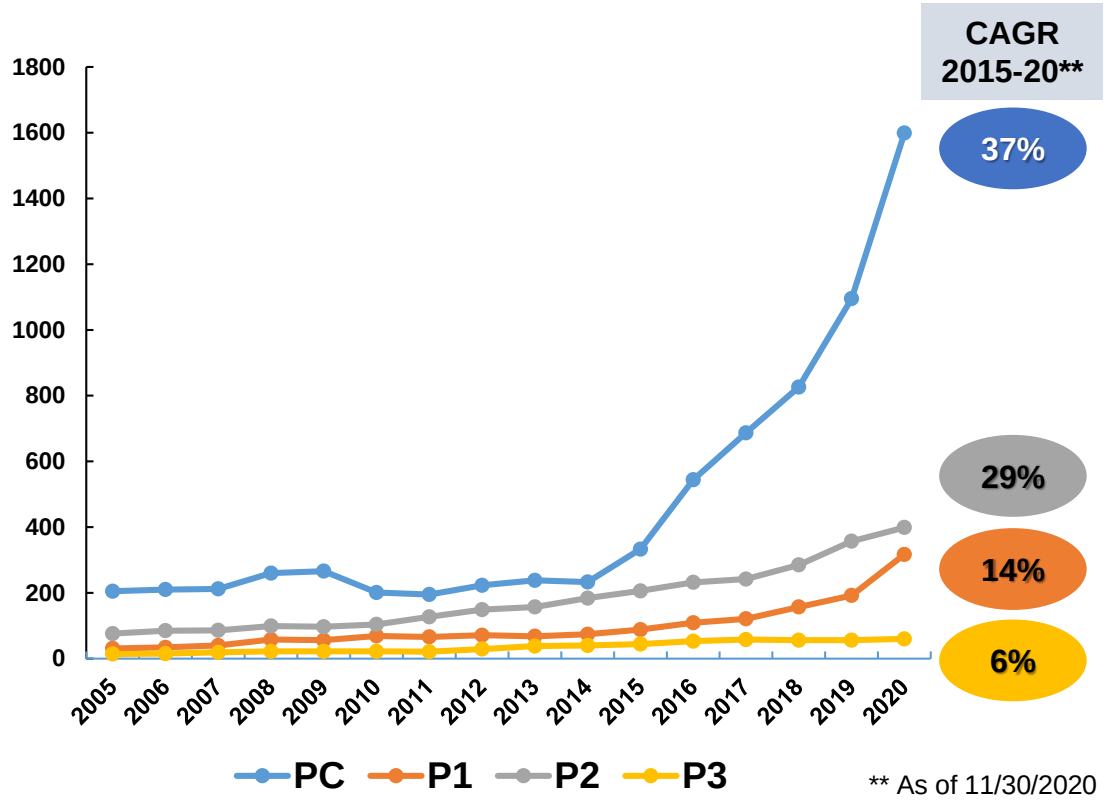
>10% of CRL annual revenue from VC portfolio companies(3)

(1) ROIC for acquisitions from 2016-2019. Excludes 2020 acquisitions of Hemacare & Cellero. Updated November 2020.
(2) Amount invested in strategic partnerships excludes purchase price to acquire Distributed Bio.
(3) VC revenue includes VC firms with which we have invested, those which we have a strategic relationship, and other revenue from VC portfolio companies with which we have no formal relationship.

charles river

Cell & Gene Therapy: Significant Growth Opportunity

C&GT Pipeline by Phase: >2,300 Active Programs



** As of 11/30/2020

Biopharma industry investing heavily in this class of research due to its **broad clinical application** to treat a wide range of **diseases with unmet needs**

7* **total** — Therapies approved by FDA today; Address key delivery, safety, and efficacy challenges

10-20 **per year** — **C&GT** expected to be approved per year by 2025

>750 — **Active programs** for C&GT in clinical trials worldwide

~80% — Programs in **Phase I or earlier**, setting the stage for massive growth

~200 — **IND** filings for C&GT expected to be received per year

$16B — Funding for **C&GT companies** in YTD 2020 (thru Q3)

Source: FDA, ARM, PwC, PharmaProjects, Citeline, SVB.
FDA: https://www.fda.gov/news-events/press-announcements/statement-fda-commissioner-scott-gottlieb-md-and-peter-marks-md-phd-director-center-biologics
* Excludes cell transplantation and cell-based regenerative medicine products.

charles river

CRL Cell & Gene Therapy Capabilities

Research Models & Services

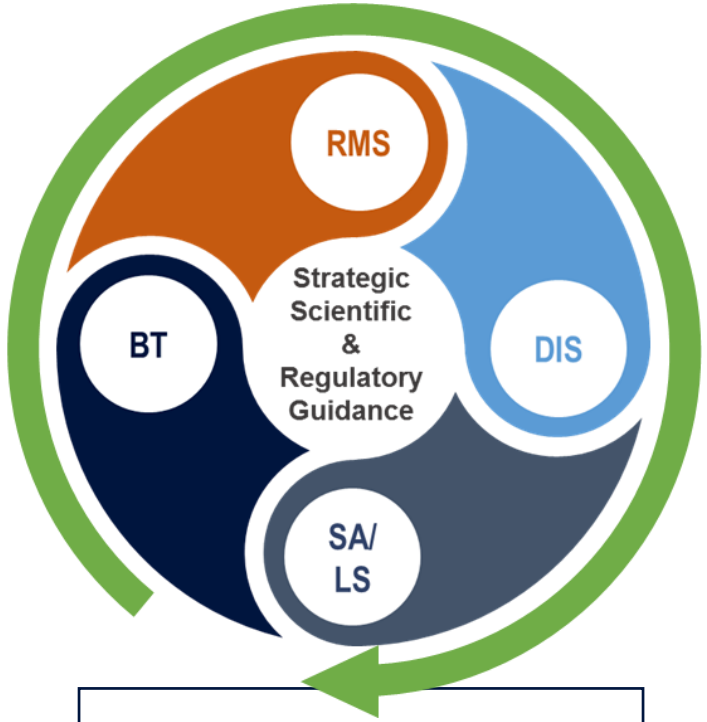
- **Immunodeficient rodent models**, large models, surgically altered models, and **tumor/syngeneic** models
- **HemaCare and Cellero cellular products** used as critical inputs in research, process development, and manufacture of cell therapies

Biologics Testing

- **Analytical testing** services for the **viral gene therapy** or viral vector needed to perform the **efficacy/ safety testing** for **C&GT therapies**
- **Cell bank creation**/storage; process evaluation for viral clearance; cell bank and product characterizations, as well as release testing

Microbial Solutions

- **Advanced rapid screening technologies** to detect and identify microbial-sourced contaminants to support the manufacturing scalability of C&GT and ensuring safety



>5%*
of CRL annual revenue from C&GT (incl. RMS Cell Supply)

Discovery

- **"Combo" pharmacology and safety** studies collaborating across multiple **DSA** sites
- **Range** of ***in vivo*** proof-of-concept models

Safety Assessment

- **Bioanalytical, immunogenicity,** and/or **biodistribution assessments** that CRL can perform across **multiple SA sites**
- Specialized services for C&GT programs ranging from **efficacy evaluations** to **surgical services** and **GLP toxicology** and **tumorgenicity** studies
- GLP pathology with potential to **pull through** from **nonclinical** to **clinical lab** work
- Ability to **standardize C&GT processes** and protocols

Leverage synergies across CRL portfolio and invest in new capabilities to enhance scientific expertise in this emerging, high-growth sector

* Updated in December 2020.

charles river

Our Strategic Imperatives

2. Drive Efficiency

- Maximize **synergies across entire portfolio** to promote best practices and add value to clients' integrated drug research programs
- Remain focused on continuous improvement to drive further **process optimization and harmonization**
- Enhance **scalability of operating model** and **optimize cost structure** to drive greater productivity and economies of scale
  - Believe there are **meaningful operating margin improvement opportunities** above current, 20% target
    - Balanced with need to make appropriate investments

Our Strategic Imperatives

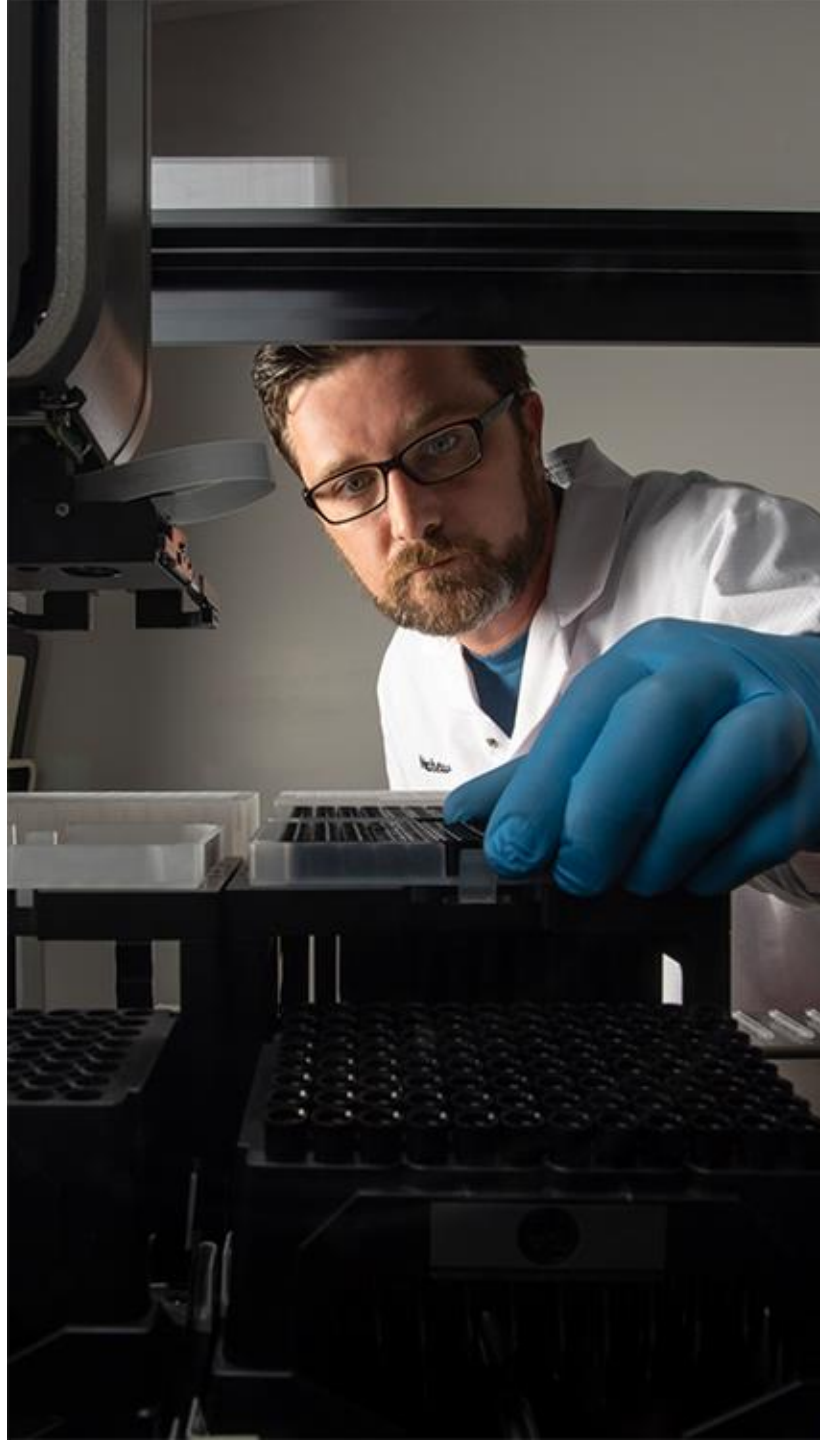
3. Enhance Speed

- **Decentralize decision making** to become more agile and strike proper balance between organizational structure, processes, and culture
- Strive to be faster and more **responsive** at every step of the early-stage R&D process
  - Leverage our **scientific expertise, regulatory compliance, and extensive portfolio** to provide clients with fast, reliable scientific results on a cost-effective basis
- Develop industry's **fastest** drug development turnaround times by reducing hand-offs and further simplifying and standardizing processes
  - Targeting to reduce early-stage timelines by an **additional year**

Our Strategic Imperatives

4. Champion Technology

- Transform industry with a **best-in-class technology** platform
  - Build a **digital enterprise**/operating model
- Enable clients with **real-time access to scientific data** and self-service options
  - Digitize the end-to-end client experience
  - Build the right **e-commerce** solution for our unique needs
- Technology is a key to transform faster
  - Embrace **automation/robotics** and **AI/machine learning** to enhance client experience, operational effectiveness, and provide better science



Our Strategic Imperatives

5. Sustain Culture

- Our culture is built on trust, **inclusion**, accountability, respect, and **well-being**
- Every person has the ability to deliver on business commitments, while having **purpose**, being **energized** and **continuously learning**, and delivering **quality outcomes** that make a difference
- Achieved by engaging, hiring, and retaining talent in order to **develop, appreciate,** and **empower** our people
- Enable colleagues to **connect** with their work in a way that supports each other, our clients, and our communities

Corporate Citizenship

Our Leadership: *Earning trust through transparency*

- Continue to **strengthen Board** by adding greater diversity in background and experience, including industry skills and expertise, gender, and race/ethnicity
  - Increased female representation to 25% and minority representation to 8% of Board in 2020

Our People: *Building a culture of purpose, learning & quality outcomes*

- People priorities are grounded in our values and focused on providing employees with a **rewarding experience** from Day 1 at Charles River
  - Provided resources and support during these unprecedented times to focus on safety, well-being and balance, and flexible work arrangements
- Connected with employees regularly on COVID-19 and social challenges, and became a **signatory to the CEO Action for Diversity and Inclusion** in 2020
  - Affirming our commitment to equality, as well as the belief that it is the obligation of each of us to live these values and behaviors

Issued our first Corporate Citizenship Report in December 2020
www.criver.com/CorporateCitizenship

charles river

Corporate Citizenship

Our Environment: *Working safely & sustainably*

- Established the **Sustainability Capital Fund**, a $5M annual commitment to fund sustainability projects at our sites through 2030
- Goal to **reduce greenhouse gas** (GHG) absolute scope 1 and 2 emissions by 50% by 2030 and to reduce scope 3 GHG emissions by 15% by 2030
  - Achieved **23% reduction** in global GHG emissions from 2018 to 2019

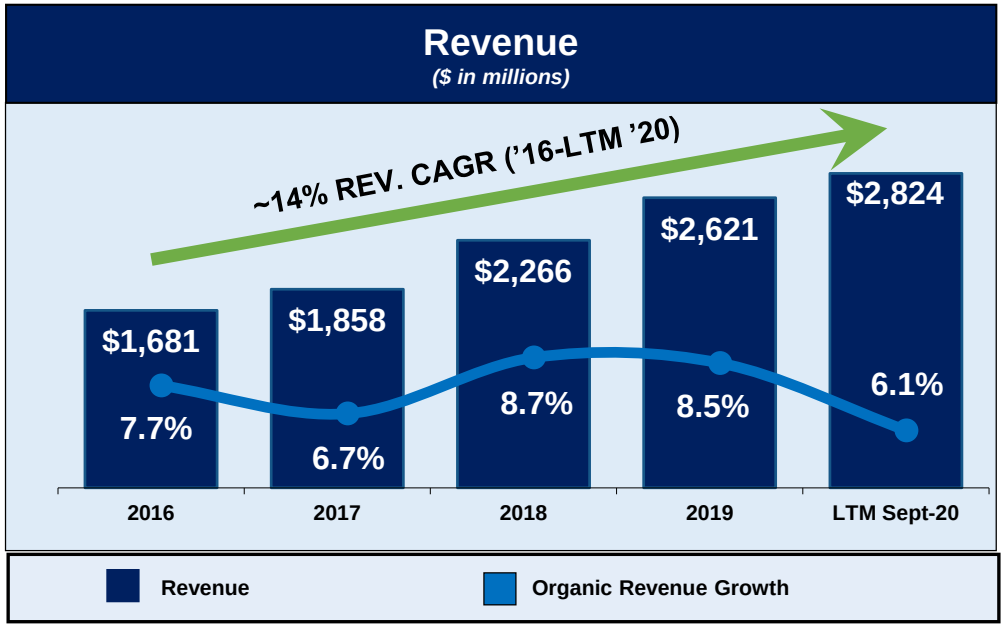
Our Communities: *Supporting the geographies where we live & work*

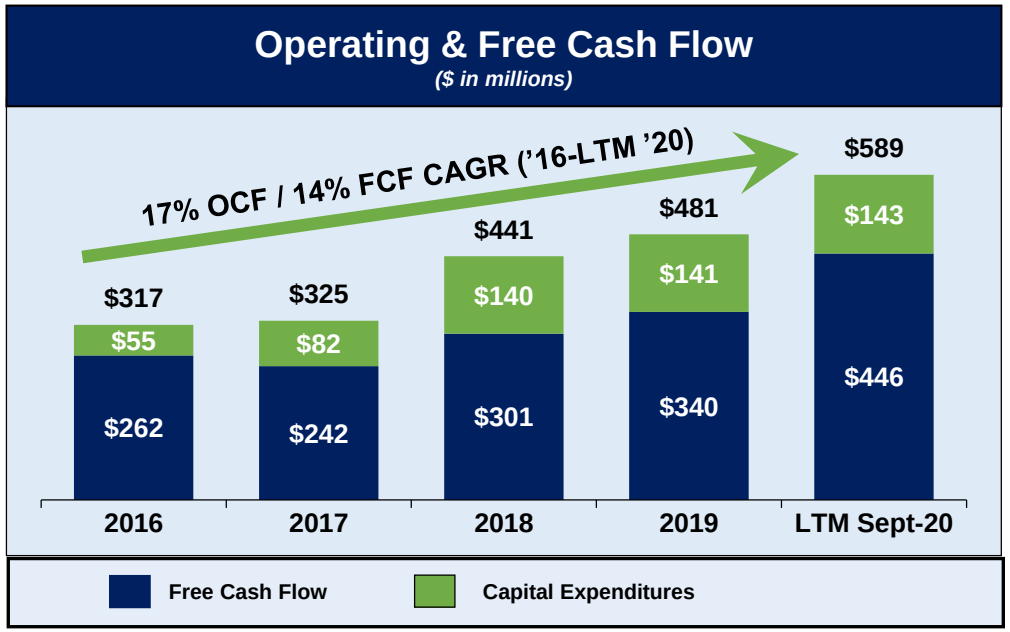
- **Donated to >300 community organizations** in 2020 to help offset the impact of the COVID-19 pandemic
  - Supported local food banks, first responders, youth and family organizations, science, technology, engineering and math (STEM) education, and scientific causes
- Identified non-monetary opportunities to support local communities and organizations when they needed it most

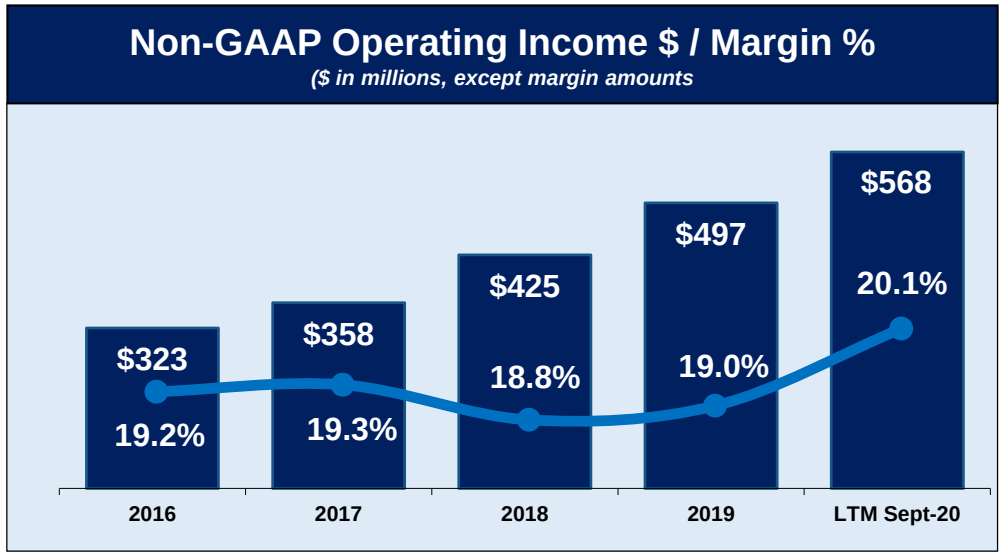
"We are committed to being good corporate citizens, in addition to enhancing our role in advancing human health and improving the quality of life for patients, clients, employees, and our communities."
-- Jim Foster

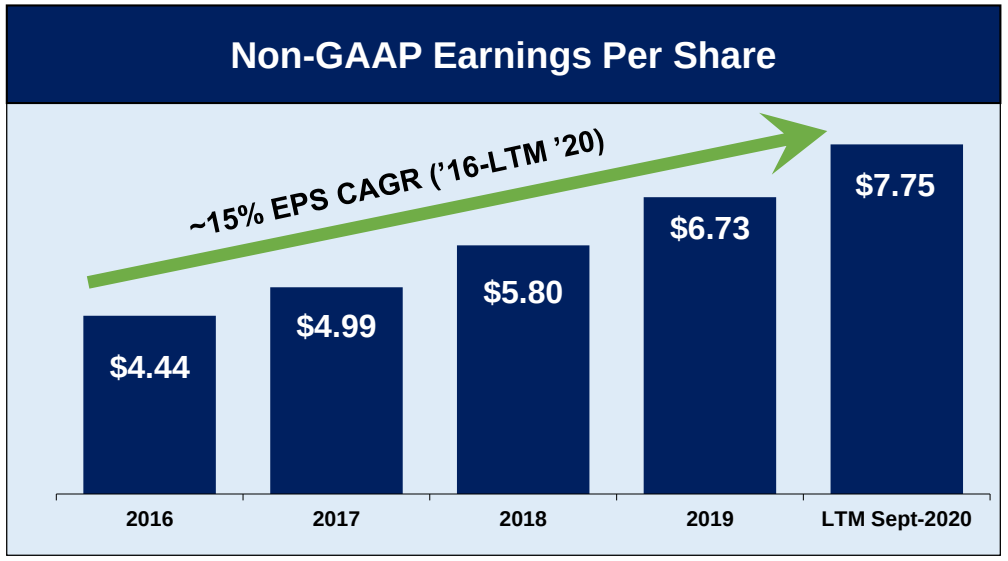
charles river

Executing on Our Strategy to Build Shareholder Value









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

Regulation G
Financial Reconciliations

charles river

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF LAST TWELVE MONTHS (LTM) REVENUE & NON-GAAP OPERATING INCOME (1)
(dollars in thousands)

Revenue	**RMS**	**DSA**	**Manufacturing**	**Total CRL**
Fiscal Year Ended December 28, 2019	$537,089	$1,618,995	$465,142	$2,621,226
Nine Months Ended September 26, 2020	414,455	1,342,424	376,064	2,132,943
Less: Nine Months Ended September 28, 2019	(405,772)	(1,179,793)	(344,523)	(1,930,088)
Last Twelve Months (LTM) Ended September 26, 2020	**$545,772**	**$1,781,626**	**$496,683**	**$2,824,081**
Segment % of Total	*19%*	*63%*	*18%*	*100%*

Non-GAAP Operating Income (2)	**RMS**	**DSA**	**Manufacturing**	**Unallocated Corp.**	**Total CRL**
Fiscal Year Ended December 28, 2019	$140,643	$356,561	$157,801	($157,807)	$497,198
Nine Months Ended September 26, 2020	86,132	315,902	140,635	(122,332)	420,337
Less: Nine Months Ended September 28, 2019	(108,335)	(244,123)	(112,947)	115,878	(349,527)
Last Twelve Months (LTM) Ended September 26, 2020	**$118,440**	**$428,340**	**$185,489**	**($164,261)**	**$568,008**
LTM 2020 Operating Margin %	***21.7%***	***24.0%***	***37.3%***		***20.1%***
Total LTM 2020 Non-GAAP OI excluding Unallocated Corp.					*$732,269*
Segment % of Total excluding Unallocated Corp.	*16.2%*	*58.5%*	*25.3%*		*100%*

Non-GAAP Net Income	**Total CRL**
Fiscal Year Ended December 28, 2019	$334,366
Nine Months Ended September 26, 2020	289,372
Less: Nine Months Ended September 28, 2019	(234,301)
Last Twelve Months (LTM) Ended September 26, 2020	**$389,437**

Non-GAAP Earnings Per Share	
Weighted average shares outstanding - Diluted	50,266
Last Twelve Months (LTM) Ended September 26, 2020	**$7.75**

Free Cash Flow	**Total CRL**
Fiscal Year Ended December 28, 2019	$340,422
Nine Months Ended September 26, 2020	329,490
Less: Nine Months Ended September 28, 2019	(223,584)
Last Twelve Months (LTM) Ended September 26, 2020	**$446,328**

(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, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules and regulations.

(2) See Financial Reconciliations section of the Company's Investor Relations web site at ir.criver.com for a reconciliation of GAAP to Non-GAAP Operating Income for each period.

charles river

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP REVENUE GROWTH
TO NON-GAAP REVENUE GROWTH, ORGANIC (YEAR-OVER-YEAR) [1]

For the twelve months ended December 28, 2019	LTM 9/26/2020	FY 2019	FY 2018	FY 2017	FY 2016
Revenue growth, reported	11.6 %	15.7 %	22.0 %	10.5 %	23.3 %
Decrease (increase) due to foreign exchange	0.1 %	1.5 %	(1.3)%	—%	1.5 %
Contribution from acquisitions [2]	(5.6)%	(8.7)%	(12.1)%	(6.0)%	(15.8)%
Impact of CDMO divestiture	—%	—%	0.1 %	0.8 %	—%
Effect of 53rd week in fiscal year 2016	—%	—%	—%	1.4 %	(1.3)%
Non-GAAP revenue growth, organic [3]	6.1 %	8.5 %	8.7 %	6.7 %	7.7 %

RECONCILIATION OF GAAP TO NON-GAAP OPERATING INCOME [1]
(dollars in thousands)

	Twelve Months Ended			
	December 28, 2019	December 29, 2018	December 30, 2017 [4]	December 31, 2016 [4]
Revenue	$ 2,621,226	$ 2,266,096	$ 1,857,601	$ 1,681,432
Operating income	351,151	331,383	288,282	237,552
Operating income as a % of revenue	13.4 %	14.6 %	15.5 %	14.1 %
Add back:				
Amortization related to acquisitions	90,867	64,831	41,370	42,746
Severance and executive transition costs	11,458	8,680	3,278	8,472
Acquisition-related adjustments [5]	39,439	19,184	6,687	21,887
Government billing adjustment and related expenses	—	—	150	634
Site consolidation costs, impairments and other items	4,283	864	18,645	11,849
Total non-GAAP adjustments to operating income	$ 146,047	$ 93,559	$ 70,130	$ 85,588
Operating income, excluding non-GAAP adjustments	$ 497,198	$ 424,942	$ 358,412	$ 323,140
Non-GAAP operating income as a % of revenue	19.0 %	18.8 %	19.3 %	19.2 %

CONTINUED ON NEXT SLIDE

charles river

CONTINUED FROM PREVIOUS SLIDE

RECONCILIATION OF FREE CASH FLOW (NON-GAAP) [1]
(dollars in thousands)

	Twelve Months Ended			
	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016 [6]
Net cash provided by operating activities	$ 480,936	$ 441,140	$ 318,074	$ 316,899
Add back: Tax impact of CDMO divestiture [7]	—	—	6,500	—
Less: Capital expenditures	(140,514)	(140,054)	(82,431)	(55,288)
Free cash flow	$ 340,422	$ 301,086	$ 242,143	$ 261,611

(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, foreign exchange, the CDMO divestiture in 2017, and the 53rd week in 2016.

(4) Prior-year operating income and operating income margin amounts have been recast to reflect the retrospective adoption of a new accounting standard in 1Q18 (ASU 2017-01).

(5) 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. In fiscal year 2019, the amount also includes a $2.2 million charge recorded in connection with the modification of the option to purchase the remaining 8% equity interest in Vital River. In fiscal year 2016, the amount also includes a $1.5 million charge recorded in connection with the modification of the option to purchase the remaining 13% equity interest in Vital River, partially offset by a $0.7 million gain on remeasurement of previously held equity interest in an entity acquired in a step acquisition.

(6) 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).

(7) Free cash flow has been adjusted to exclude the cash tax impact related to the divestiture of the CDMO business, which is recorded in Cash Flows relating to Operating Activities, because divestitures are outside of our normal operations, the corresponding cash proceeds from the divestiture are reflected in Cash Flows relating to Investing Activities, and the impact of the CDMO divestiture is large, which can adversely affect the comparability of our results on a period-to-period basis.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS [1]

(dollars in thousands, except for per share data)

	Twelve Months Ended			
	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016
Net income attributable to common shareholders	$ 252,019	$ 226,373	$ 123,355	$ 154,765
Less: Income (loss) from discontinued operations, net of income taxes	—	1,506	(137)	280
Net income from continuing operations attributable to common shareholders	252,019	224,867	123,492	154,485
Add back:				
Amortization related to acquisitions	90,867	64,831	41,370	42,746
Severance and executive transition costs	11,458	8,680	3,278	8,472
Acquisition-related adjustments [2]	39,439	19,184	6,687	22,702
Government billing adjustment and related expenses	—	—	150	634
Site consolidation costs, impairments and other items	4,283	864	18,645	11,849
Gain on divestiture of CDMO business	—	—	(10,577)	—
Write-off of deferred financing costs and fees related to debt financing	1,605	5,060	—	987
Reversal of an indemnification asset associated with acquisition and corresponding interest [3]	—	—	—	54
Gain on bargain purchase [4]	—	—	(277)	15
Debt forgiveness associated with a prior acquisition [5]	—	—	(1,863)	—
Venture capital gains	(20,707)	(15,928)	(22,657)	(10,285)
Tax effect of non-GAAP adjustments:				
Tax effect from U.S. Tax Reform [6]	—	(5,450)	78,537	—
Tax effect from divestiture of CDMO business	—	(1,000)	17,705	—
Non-cash tax benefit related to international financing structure [7]	(19,787)	—	—	—
Tax effect of the remaining non-GAAP adjustments	(24,811)	(17,166)	(12,286)	(18,744)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 334,366	$ 283,942	$ 242,204	$ 212,915
Weighted average shares outstanding - Basic	48,730	47,947	47,481	47,014
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units, and contingently issued restricted stock	963	1,071	1,083	944
Weighted average shares outstanding - Diluted	49,693	49,018	48,564	47,958
Earnings per share from continuing operations attributable to common shareholders				
Basic	$ 5.17	$ 4.69	$ 2.60	$ 3.28
Diluted	$ 5.07	$ 4.59	$ 2.54	$ 3.22
Basic, excluding non-GAAP adjustments	$ 6.86	$ 5.92	$ 5.10	$ 4.53
Diluted, excluding non-GAAP adjustments	$ 6.73	$ 5.80	$ 4.99	$ 4.44

(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. In fiscal year 2019, the amount also includes a $2.2 million charge recorded in connection with the modification of the option to purchase the remaining 8% equity interest in Vital River. In fiscal year 2016, the amount also includes a $1.5 million charge recorded in connection with the modification of the option to purchase the remaining 13% equity interest in Vital River, partially offset by a $0.7 million gain on remeasurement of previously held equity interest in an entity acquired in a step acquisition.

(3) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset primarily related to the acquisition of BioFocus.

(4) These amounts relate to the acquisition of Sunrise Farms, Inc. in 2015 and an immaterial acquisition in 2017, and represent the excess of the estimated fair value of the net assets acquired over the purchase

(5) The amount represents the forgiveness of a liability related to the acquisition of Vital River.

(6) The amount for fiscal year 2017 includes a $78.5 million estimate for the impact of the enactment of U.S. Tax Reform legislation. The estimated impact of U.S. Tax Reform consists of the one-time transition tax on unrepatriated earnings (also known as the toll tax), withholding and state taxes related to the Company's withdrawal of its indefinite reinvestment assertion regarding unremitted earnings, and the revaluation of U.S. federal net deferred tax liabilities. The final impact of U.S. Tax Reform may differ from these estimates, due to, among other things, changes in interpretations, analysis, and assumptions made by the Company, additional guidance that may be issued by regulatory agencies, and any updated or changes to estimates the Company utilized to calculate the transition tax impact.

(7) The amount for fiscal year 2019 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
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]
(in thousands, except percentages)

	Three Months Ended		Twelve Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
Research Models and Services				
Revenue	$ 131,317	$ 128,487	$ 537,089	$ 519,682
Operating income	30,183	31,575	133,912	136,468
Operating income as a % of revenue	23.0 %	24.6 %	24.9 %	26.3 %
Add back:				
Amortization related to acquisitions	339	383	1,381	1,585
Severance	1,000	353	2,106	1,161
Acquisition related adjustments [2]	—	(23)	2,201	(23)
Site consolidation costs, impairments and other items	786	—	1,043	822
Total non-GAAP adjustments to operating income	$ 2,125	$ 713	$ 6,731	$ 3,545
Operating income, excluding non-GAAP adjustments	$ 32,308	$ 32,288	$ 140,643	$ 140,013
Non-GAAP operating income as a % of revenue	24.6 %	25.1 %	26.2 %	26.9 %
Depreciation and amortization	$ 4,999	$ 4,904	$ 19,197	$ 19,469
Capital expenditures	$ 12,010	$ 17,067	$ 26,989	$ 35,172
Discovery and Safety Assessment				
Revenue	$ 439,202	$ 358,189	$ 1,618,995	$ 1,316,854
Operating income	83,689	67,186	258,903	227,577
Operating income as a % of revenue	19.1 %	18.8 %	16.0 %	17.3 %
Add back:				
Amortization related to acquisitions	22,357	14,415	80,424	54,211
Severance	4,778	41	7,311	1,014
Acquisition related adjustments [3]	1,614	1,313	10,130	2,779
Site consolidation costs, impairments and other items	—	—	(207)	(117)
Total non-GAAP adjustments to operating income	$ 28,749	$ 15,769	$ 97,658	$ 57,887
Operating income, excluding non-GAAP adjustments	$ 112,438	$ 82,955	$ 356,561	$ 285,464
Non-GAAP operating income as a % of revenue	25.6 %	23.2 %	22.0 %	21.7 %
Depreciation and amortization	$ 39,908	$ 29,714	$ 151,139	$ 112,976
Capital expenditures	$ 41,713	$ 38,929	$ 86,843	$ 73,425
Manufacturing Support				
Revenue	$ 120,619	$ 114,854	$ 465,142	$ 429,560
Operating income	41,527	40,308	145,420	136,212
Operating income as a % of revenue	34.4 %	35.1 %	31.3 %	31.7 %
Add back:				
Amortization related to acquisitions	2,260	2,219	9,062	9,035
Severance	1,102	357	1,651	1,227
Acquisition related adjustments [3]	68	112	286	112
Site consolidation costs, impairments and other items	(103)	—	1,382	159
Total non-GAAP adjustments to operating income	$ 3,327	$ 2,688	$ 12,381	$ 10,533
Operating income, excluding non-GAAP adjustments	$ 44,854	$ 42,996	$ 157,801	$ 146,745
Non-GAAP operating income as a % of revenue	37.2 %	37.4 %	33.9 %	34.2 %
Depreciation and amortization	$ 6,007	$ 5,216	$ 23,584	$ 22,529
Capital expenditures	$ 9,318	$ 10,592	$ 23,617	$ 23,323

CONTINUED ON NEXT SLIDE

charles river

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

	Three Months Ended		Twelve Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
CONTINUED FROM PREVIOUS SLIDE				
Unallocated Corporate Overhead	$ (46,610)	$ (36,587)	$ (187,084)	$ (168,874)
Add back:				
Severance and executive transition costs	390	—	390	5,278
Acquisition related adjustments [3]	3,634	618	26,822	16,316
Other items [4]	657	—	2,065	—
Total non-GAAP adjustments to operating expense	$ 4,681	$ 618	$ 29,277	$ 21,594
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (41,929)	$ (35,969)	$ (157,807)	$ (147,280)
Total				
Revenue	$ 691,138	$ 601,530	$ 2,621,226	$ 2,266,096
Operating income	108,789	102,482	351,151	331,383
Operating income as a % of revenue	15.7 %	17.0 %	13.4 %	14.6 %
Add back:				
Amortization related to acquisitions	24,956	17,017	90,867	64,831
Severance and executive transition costs	7,270	751	11,458	8,680
Acquisition related adjustments [2][3]	5,316	2,020	39,439	19,184
Site consolidation costs, impairments and other items [4]	1,340	—	4,283	864
Total non-GAAP adjustments to operating income	$ 38,882	$ 19,788	$ 146,047	$ 93,559
Operating income, excluding non-GAAP adjustments	$ 147,671	$ 122,270	$ 497,198	$ 424,942
Non-GAAP operating income as a % of revenue	21.4 %	20.3 %	19.0 %	18.8 %
Depreciation and amortization	$ 51,833	$ 41,581	$ 198,095	$ 161,779
Capital expenditures	$ 63,839	$ 68,676	$ 140,514	$ 140,054

(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) This amount represents a $2.2 million charge recorded during fiscal 2019 in connection with the modification of the option to purchase the remaining 8% equity interest in Vital River.

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

(4) This amount relates to third-party costs, net of insurance reimbursements, 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 TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)[1]
(in thousands, except percentages)

	Three Months Ended		Nine Months Ended	
	September 26, 2020	September 28, 2019	September 26, 2020	September 28, 2019
Research Models and Services				
Revenue	$ 151,910	$ 132,546	$ 414,455	$ 405,772
Operating income	37,108	34,385	68,325	103,729
Operating income as a % of revenue	24.4 %	25.9 %	16.5 %	25.6 %
Add back:				
Amortization related to acquisitions	4,010	341	15,581	1,042
Severance	27	381	527	1,106
Acquisition related adjustments [2][3]	922	-	1,499	2,201
Site consolidation costs, impairments and other items	(59)	-	200	257
Total non-GAAP adjustments to operating income	$ 4,900	$ 722	$ 17,807	$ 4,606
Operating income, excluding non-GAAP adjustments	$ 42,008	$ 35,107	$ 86,132	$ 108,335
Non-GAAP operating income as a % of revenue	27.7 %	26.5 %	20.8 %	26.7 %
Depreciation and amortization	$ 9,455	$ 4,895	$ 27,333	$ 14,198
Capital expenditures	$ 3,552	$ 5,818	$ 15,585	$ 14,979
Discovery and Safety Assessment				
Revenue	$ 461,177	$ 420,079	$ 1,342,424	$ 1,179,793
Operating income	90,348	64,995	234,872	175,214
Operating income as a % of revenue	19.6 %	15.5 %	17.5 %	14.9 %
Add back:				
Amortization related to acquisitions	22,191	21,560	68,326	58,067
Severance	423	1,848	3,987	2,533
Acquisition related adjustments [3]	461	4,524	2,845	8,516
Site consolidation costs, impairments and other items	2,938	(207)	5,872	(207)
Total non-GAAP adjustments to operating income	$ 26,013	$ 27,725	$ 81,030	$ 68,909
Operating income, excluding non-GAAP adjustments	$ 116,361	$ 92,720	$ 315,902	$ 244,123
Non-GAAP operating income as a % of revenue	25.2 %	22.1 %	23.5 %	20.7 %
Depreciation and amortization	$ 42,707	$ 39,898	$ 125,138	$ 111,231
Capital expenditures	$ 15,532	$ 21,141	$ 46,436	$ 45,130
Manufacturing Support				
Revenue	$ 130,213	$ 115,326	$ 376,064	$ 344,523
Operating income	48,246	39,253	132,288	103,893
Operating income as a % of revenue	37.1 %	34.0 %	35.2 %	30.2 %
Add back:				
Amortization related to acquisitions	2,150	2,204	6,614	6,802
Severance	333	248	1,985	549
Acquisition related adjustments [3]	-	62	(421)	218
Site consolidation costs, impairments and other items	169	180	169	1,485
Total non-GAAP adjustments to operating income	$ 2,652	$ 2,694	$ 8,347	$ 9,054
Operating income, excluding non-GAAP adjustments	$ 50,898	$ 41,947	$ 140,635	$ 112,947
Non-GAAP operating income as a % of revenue	39.1 %	36.4 %	37.4 %	32.8 %
Depreciation and amortization	$ 6,655	$ 5,990	$ 19,257	$ 17,577
Capital expenditures	$ 5,787	$ 6,421	$ 13,985	$ 14,299

CONTINUED ON NEXT SLIDE

charles river

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

	Three Months Ended		Nine Months Ended	
CONTINUED FROM PREVIOUS SLIDE	**September 26, 2020**	**September 28, 2019**	**September 26, 2020**	**September 28, 2019**
Unallocated Corporate Overhead	$ (42,949)	$ (45,831)	$ (131,683)	$ (140,474)
Add back:				
Severance	36	-	36	-
Acquisition related adjustments [3]	2,124	5,296	9,976	23,188
Other items [4]	89	379	(661)	1,408
Total non-GAAP adjustments to operating expense	$ 2,249	$ 5,675	$ 9,351	$ 24,596
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (40,700)	$ (40,156)	$ (122,332)	$ (115,878)
Total				
Revenue	$ 743,300	$ 667,951	$ 2,132,943	$ 1,930,088
Operating income	132,753	92,802	303,802	242,362
Operating income as a % of revenue	17.9 %	13.9 %	14.2 %	12.6 %
Add back:				
Amortization related to acquisitions	28,351	24,105	90,521	65,911
Severance	819	2,477	6,535	4,188
Acquisition related adjustments [2][3]	3,507	9,882	13,899	34,123
Site consolidation costs, impairments and other items [4]	3,137	352	5,580	2,943
Total non-GAAP adjustments to operating income	$ 35,814	$ 36,816	$ 116,535	$ 107,165
Operating income, excluding non-GAAP adjustments	$ 168,567	$ 129,618	$ 420,337	$ 349,527
Non-GAAP operating income as a % of revenue	22.7 %	19.4 %	19.7 %	18.1 %
Depreciation and amortization	$ 59,580	$ 51,758	$ 174,048	$ 146,262
Capital expenditures	$ 26,185	$ 35,163	$ 78,706	$ 76,675

(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) This amount represents a $2.2 million charge recorded in connection with the modification of the option to purchase the remaining 8% equity interest in Vital River in the nine months ended September 28, 2019.

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

(4) This amount relates to third-party costs, net of insurance reimbursements, 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		Nine Months Ended	
	September 26, 2020	**September 28, 2019**	**September 26, 2020**	**September 28, 2019**
Net income attributable to common shareholders	$ 102,909	$ 72,810	$ 221,113	$ 171,671
Add back:				
Non-GAAP adjustments to operating income (Refer to previous schedule)	35,814	36,816	116,535	107,165
Venture capital and strategic equity investment (gains) losses, net	(20,350)	598	(32,226)	(5,724)
Tax effect of non-GAAP adjustments:				
Non-cash tax provision (benefit) related to international financing structure [2]	804	(20,368)	2,990	(20,368)
Tax effect of the remaining non-GAAP adjustments	(1,216)	(6,073)	(19,040)	(18,443)
Net income attributable to common shareholders, excluding non-GAAP adjustments	$ 117,961	$ 83,783	$ 289,372	$ 234,301
Weighted average shares outstanding - Basic	49,703	48,818	49,482	48,682
Effect of dilutive securities:				
Stock options, restricted stock units and performance share units	999	897	889	945
Weighted average shares outstanding - Diluted	50,702	49,715	50,371	49,627
Earnings per share attributable to common shareholders:				
Basic	$ 2.07	$ 1.49	$ 4.47	$ 3.53
Diluted	$ 2.03	$ 1.46	$ 4.39	$ 3.46
Basic, excluding non-GAAP adjustments	$ 2.37	$ 1.72	$ 5.85	$ 4.81
Diluted, excluding non-GAAP adjustments	$ 2.33	$ 1.69	$ 5.74	$ 4.72

(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) 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 FREE CASH FLOW (NON-GAAP) [(1)]

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 26, 2020	**September 28, 2019**	**September 26, 2020**	**September 28, 2019**
Net cash provided by operating activities	$ 177,300	$ 155,847	$ 408,196	$ 300,259
Less: Capital expenditures	(26,185)	(35.163)	(78,706)	(76,675)
Free cash flow	$ 151,115	$ 120,684	$ 329,490	$ 223,584

[(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 GROSS/NET LEVERAGE RATIO, INCLUDING GAAP NET INCOME TO ADJUSTED EBITDA (1)
(dollars in thousands, except for per share data)

	September 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	$ 2,016,107	$ 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	$ 2,220	$ 712	$ 3,033	$ 298	$ 3,621	$ 1,370	$ 2,828	$ 9,787	$ 9,680
Total Indebtedness per credit agreement	$ 2,018,328	$ 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	(242,879)	(238,014)	(195,442)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)	(109,685)
Net Debt	$ 1,775,449	$ 1,650,910	$ 1,475,605	$ 981,608	$ 1,121,004	$ 746,454	$ 620,668	$ 517,649	$ 566,515

	September 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	$ 301,462	$ 252,019	$ 226,373	$ 123,355	$ 154,765	$ 149,313	$ 126,698	$ 102,828	$ 97,295
Adjustments:									
Less: Aggregate non-cash amount of nonrecurring gains	(1,091)	(310)	—	—	(685)	(9,878)	(2,048)	—	—
Plus: Interest expense	80,488	79,586	65,258	29,777	27,709	15,072	11,950	20,969	33,342
Plus: Provision for income taxes	78,623	50,023	54,996	171,369	66,835	43,391	46,685	32,142	24,894
Plus: Depreciation and amortization	225,882	198,095	161,779	131,159	126,658	94,881	96,445	96,636	81,275
Plus: Non-cash nonrecurring losses	6,098	427	559	17,716	6,792	10,427	1,615	4,202	12,283
Plus: Non-cash stock-based compensation	54,815	57,271	47,346	44,003	43,642	40,122	31,035	24,542	21,855
Plus: Permitted acquisition-related costs	18,862	34,827	19,181	6,687	22,653	13,451	6,285	1,752	3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions	2,673	12,320	15,648	690	18,573	9,199	10,787	—	253
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 767,812	$ 684,259	$ 591,140	$ 524,756	$ 466,942	$ 365,978	$ 329,452	$ 283,071	$ 274,873

	September 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)	2.63x	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)	2.3x	2.4x	2.5x	1.9x	2.4x	2.0x	1.9x	1.8x	2.1x

	September 26, 2020
INTEREST COVERAGE RATIO:	
Capital Expenditures	143,089
Cash Interest Expense	80,885
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	7.72x

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

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

CRL

LISTED

NYSE

charles river