William Blair 43rd Annual Growth Stock Conference

June 6, 2023

charles river

Flavia Pease

Executive Vice President & CFO
Charles River Laboratories International, Inc.

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 our expectations regarding the availability of NHPs and our ability to diversify our NHP supply chain; the outcome of the U.S. Department of Justice investigations related to shipments of non-human primates from Cambodia received by the Company; the timing of the development and implementation of additional procedures to reasonably ensure that non-human primates imported to the United States from Cambodia are purpose-bred; changes and uncertainties in the global economy and financial markets, including any changes in business, political, or economic conditions due to the November 16, 2022 announcement by the U.S. Department of Justice through the U.S. Attorney’s Office for the Southern District of Florida that a Cambodian non-human primate supplier and two Cambodian officials had been criminally charged in connection with illegally importing non-human primates into the United States our future financial performance (including, without limitation, revenue and revenue growth rates, operating income and margin, earnings per share, capital expenditures, operating and free cash flow, net interest expense, effective tax rate, foreign exchange rates, corporate expenses, and leverage ratios) whether reported, constant currency, organic, and/or factoring acquisitions, with respect to Charles River as a whole and/or any of our reporting or operating segments or business units; our expectations with respect to the impact of external interest rate fluctuations; the assumptions that form the basis for our guidance; the estimated diluted shares outstanding; the expected performance of our venture capital and other strategic investments; client demand, particularly the future demand for drug discovery, development, and CDMO products and services, and our intentions to expand those businesses, including our investments in our portfolio; the impact of foreign exchange; our compliance with the maintenance covenants under our credit agreement; our expectations regarding stock repurchases and debt repayment; the development and performance of our services and products, including expectations with respect to reducing timelines; expectations with respect to pricing of our products and services; market and industry conditions, including industry consolidation and the Company’s share of any market it participates in, outsourcing of services and identification of spending trends by our clients and funding available to them; the potential outcome of, and impact to, our business and financial operations due to litigation and legal proceedings and tax law changes; our business strategy, including with respect to capital deployment and leverage; our success in identifying, consummating, and integrating, and the impact of, our acquisitions, on the Company, our service offerings, client perception, strategic relationships, revenue, revenue growth rates, earnings, and synergies, including client overlap; our expectations regarding the financial performance of the companies we have acquired; our strategic agreements with our clients and opportunities for future similar arrangements; our ability to obtain new clients in targeted market segments and/or to predict which client segments will be future growth drivers; the impact of our investments in specified business lines, products, sites and geographies; and Charles River’s future performance as otherwise delineated in our forward-looking guidance.

Forward-looking statements are based on Charles River’s current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward- looking statements. Those risks and uncertainties include, but are not limited to: NHP supply constraints and the investigations by the U.S. Department of Justice, including the impact on our projected future financial performance, the timing of the resumption of Cambodia NHP imports, and our ability to manage supply impact; changes and uncertainties in the global economy and financial markets, including any changes in business, political, or economic conditions due to the November 16, 2022 announcement by the U.S. Department of Justice through the U.S. Attorney’s Office for the Southern District of Florida that a Cambodian NHP supplier and two Cambodian officials had been criminally charged in connection with illegally importing NHPs into the United States; the ability to successfully integrate businesses we acquire (including Explora Biolabs, Distributed Bio, Cognate BioServices and Vigene Biosciences and risks and uncertainties associated with Cognate’s and Vigene’s products and services, which are in areas that the Company did not previously operate); the timing and magnitude of our share repurchases; negative trends in research and development spending, negative trends in the level of outsourced services, or other cost reduction actions by our clients; the ability to convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; USDA and FDA regulations; changes in law; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 22, 2023, 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.

The scientific partner of choice to accelerate biomedical research and therapeutic innovation

Working with clients from discovery and early-stage development through the safe manufacture of life-saving therapies

Innovate

One-stop shop for high-quality research models and associated services to support biomedical researchers in discovery of new therapeutics

Accelerate

Flexible and efficient outsourced model for non-clinical development to enable quick progression into the clinic

Manufacture

Comprehensive solutions to support biopharmaceutical manufacturers in the critical testing, process development, and production of advanced therapies

Leading, global, non-clinical drug development partner with a mission to create healthier lives

Global Scale

~21,500
global employees

~2,600
scientific professionals with advanced degrees

>10,000
clients, including

>2,000
biopharma clients

>150
sites in

>20
countries

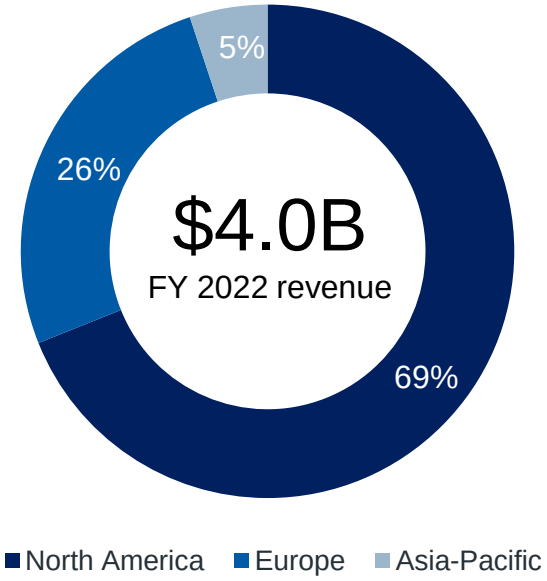
Proven Results

Supported
>80%
of FDA-approved novel drugs over last three years (2020-22)

100
preclinical candidates originated for clients since 1999

#1
position in Research Models, Safety Assessment & Microbial Solutions

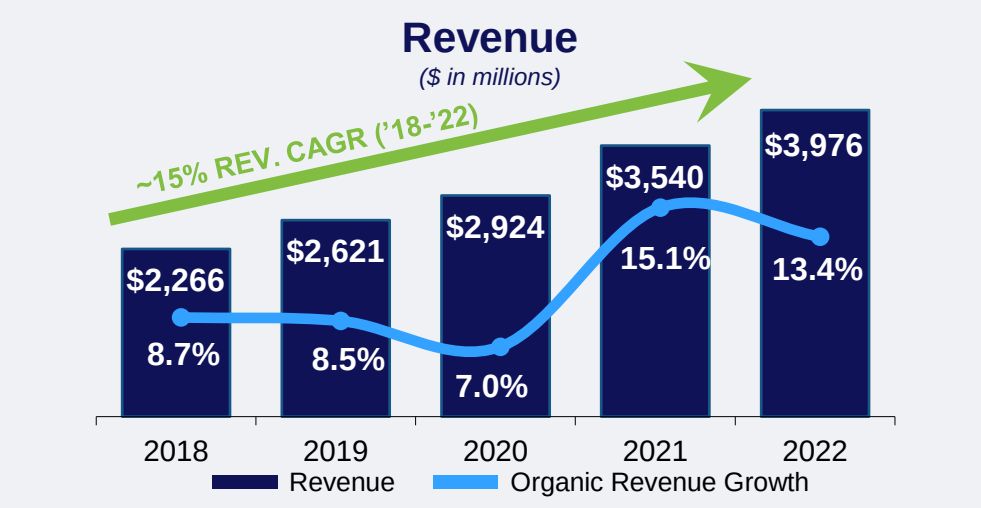
Diverse Revenue Base by Region

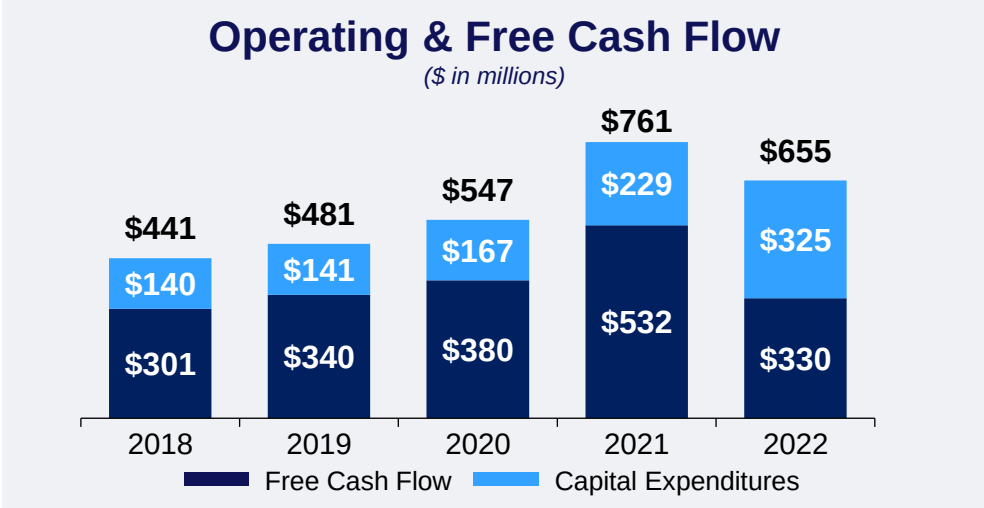


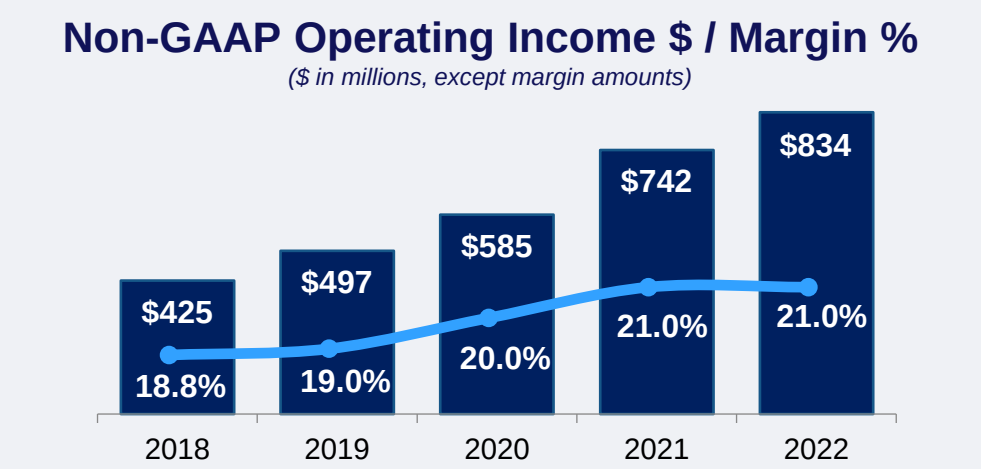
CRL Investment Thesis

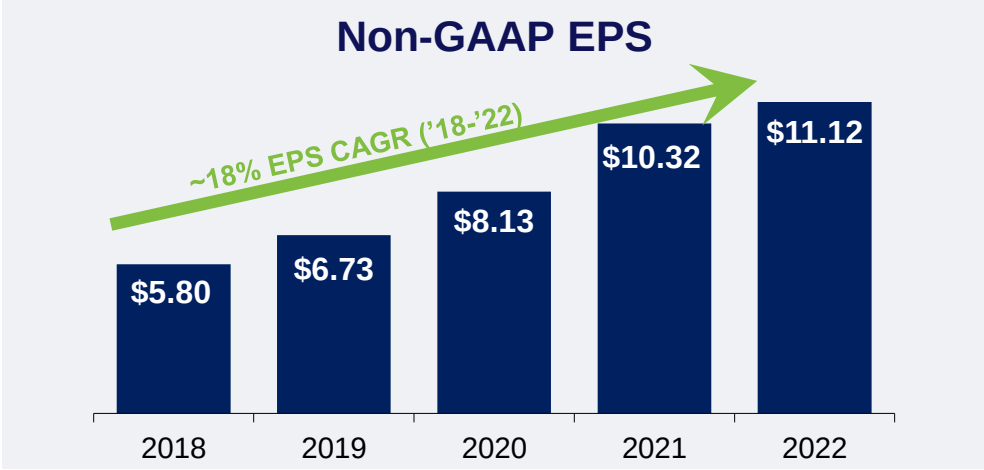
- **Unique, scientifically differentiated portfolio** with integrated, non-clinical capabilities and broad expertise across **all drug modalities**
- **Leading partner** to accelerate biomedical research and therapeutic innovation with **flexible, efficient outsourcing solutions**
- **Large and diversified client base** across the entire drug research, development, and manufacturing continuum
- **Strong and durable industry fundamentals** driven by **increased outsourcing** to address unmet medical needs and evolving complexity of disease
- Robust value creation strategy led by **M&A and strategic partnerships** to maintain leadership positions in **high-growth markets**

Strong financial results supporting shareholder value









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

Unique, scientifically differentiated platform

Research Models and Services (RMS)

Global leader in the production of the most widely used small research models and associated services

Foundational tools that enable clients to discover new molecules

Discovery and Safety Assessment (DSA)

Largest, global partner for outsourced drug discovery, non-clinical development and regulated safety testing services

Enabling preclinical success and efficiently advancing ideas into the clinic

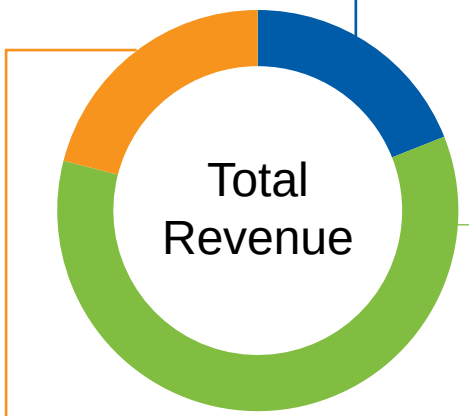
Manufacturing Solutions

Full-service process development, clinical-to-commercial manufacturing, and quality-control testing products and services

Ensuring the quality and safety of manufacturing activities and commercial therapies

Note: DSA segment provides certain services to support clinical development, including clinical bioanalysis/lab sciences. However, the Company does not conduct human clinical trials.

Balanced revenue contribution and robust growth profile



19%
RMS

- **Research Models**
- **Research Model Services**
- **Human Cellular Products (Cell Supply)**

9.0% organic growth FY 2022

25.2% non-GAAP operating margin FY 2022

61%
DSA

- **Discovery Services**
- **Safety Assessment**

17.5% organic growth FY 2022

25.3% non-GAAP operating margin FY 2022

20%
Manufacturing*

- **Microbial Solutions**
- **Biologics Testing**
- **C&GT CDMO**

5.3% organic growth FY 2022

28.8% non-GAAP operating income FY 2022

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

All revenue and operating income/margin figures based on FY 2022 financial information.

* Note: Charles River completed the previously announced divestiture of the Avian Vaccine business in December 2022. Avian is included in the FY 2022 figures above.

RMS Segment

Foundational tools for the discovery of new molecules

Research Models
Breeding and distribution of the most widely used small research models

Services
Flexible solutions that support our clients' use of models and the screening of drug candidates

Cell Solutions
Supply of customized primary cells and blood components for use in cell therapy development and production

- **Global footprint** ensures proximity to major biohubs
- Consistent, high-quality source of small research models provides **critical link to DSA business**
- **Enhanced digital enterprise** improves efficiency and client experience

#1
RMS market position

37%
global RMS market share

~1 of 2
small research models sold in North America and Europe from CRL

~150
of the most widely used research model strains

Note: CRL market share data based on management estimates and publicly available information.

Expansion of services, capabilities, and footprint

RMS: Re-established as a sustained growth engine

RM Services driving incremental growth, representing nearly half of RMS segment revenue

– Genetically Engineered Models and Services (GEMS)
– Research Animal Diagnostic Services (RADS)
– Insourcing Solutions (IS), including CRADL™

Expansion of CRADL™ offering

– Enables clients to invest in research, not in infrastructure
– Explora acquisition in 2022 further expands CRADL™ to 28 facilities with >380,000 sq. ft. of full-service, turnkey vivarium rental capacity

explora biolabs
a charles river company

Continued expansion of China footprint in high-growth market

– New sites in central (Wuhan), southern (Shunde), and western (Chengdu) regions
– RMS China averaged double-digit annual revenue growth since acquired in 2013

DSA Segment

Drug discovery research, development, and regulatory-required safety testing of potential new drugs

Discovery Services

Single source of services for discovering and characterizing novel drug candidates for preclinical development

- Early discovery, *in vivo* and *in vitro* capabilities
  - Expertise in most major therapeutic areas, with a focus on **oncology** and **CNS**
- **Broad capabilities** across small and large molecule, antibody and C&GT
- Expertise in **integrated programs**
  - Ability to engage with clients at any stage of their discovery or early-stage development programs

Safety Assessment (SA)

Full suite of safety studies required for regulatory submission on a global basis across all therapeutic areas

- **Global leader** in both non-regulated and regulated (GLP) outsourced SA services
- **Broad scientific capabilities**
  - General and specialty toxicology, bioanalysis, pathology, safety pharmacology; drug metabolism and pharmacokinetics (DMPK) services
  - **Largest specialty toxicology offering** from inhalation, and infusion to developmental and reproductive toxicology

100

Preclinical drug candidates discovered for clients since 1999

40%

Outsourced SA market share, with next largest competitor at 17%

~30

DSA sites worldwide ensures proximity to clients

A safety assessment program costs

5x-10x less

than a late-stage clinical program, providing incentive for clients to focus R&D spending on IND achievement

Note: CRL market share data based on management estimates and publicly available information.

Best-in-class science and service driving robust demand

DSA: Focused on preclinical R&D support

M&A and technology partnerships enhancing scale, innovative capabilities and therapeutic area expertise

Robust demand driven by greater outsourcing by biopharma clients

– Opportunity to drive incremental outsourcing penetration with Discovery only ~25% outsourced and Safety Assessment 60%+ outsourced
  - Biotech leveraging outsourcing expertise to drive innovation, instead of building in-house capabilities
  - Large biopharma utilizing scientific partners like CRL, in place of maintaining internal resources

Significant opportunity to further increase synergies and client overlap

– More than half of Discovery clients remained with CRL for safety assessment over last three years

Manufacturing Solutions Segment

Safe production and release of manufactured products

Microbial Solutions
Rapid, efficient testing platform for microbial detection and identification of sterile and non-sterile applications

- Leading global provider of **quality-control (QC) testing** products and services
  - **FDA-mandated** lot release testing for sterile biopharmaceutical products
- **Market-leading platforms**
  - **Endosafe®** endotoxin detection
  - **Accugenix®** microbial identification and strain typing
  - **Celsis®** rapid microbial detection

Biologics Testing
Process development and quality-control testing to support the manufacture of biologics

- **Premier global partner** in navigating the complex pathway to biologic effectiveness
  - Supports developers and manufacturers with their **testing, characterization, and cell bank manufacturing** needs
  - **Testing and assay development** throughout drug development, clinical and commercial manufacturing

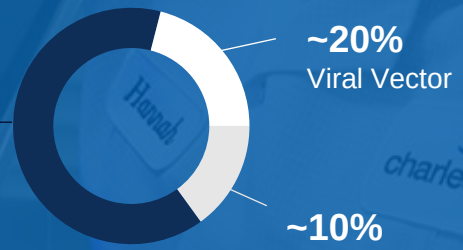
C&GT CDMO
Scientific partner for cell and gene therapy development, testing, and manufacturing

- Solutions across **all major CDMO platforms for C&GT**
  - **Primary expertise in gene-modified cell therapy** with growing capabilities in gene therapy, including plasma DNA and viral vectors
- Excellent strategic fit across CRL portfolio
  - **Integrated value chain** from foundational cellular materials through analytical testing and the production of advanced therapies

~70%

Microbial Solutions revenue from reagents/consumables, creating a recurring revenue stream

CDMO Revenue Mix by Service Area



Capitalizing on the rapid expansion of biologics and C&GT pipelines

Manufacturing Solutions: Driven by biologics

No competitors have our comprehensive, rapid and efficient testing platform for microbial detection and identification

– Only >10% of endotoxin testing volume converted to rapid testing methods – long runway for future growth

Increased number of biologics in development, fueled by C&GT programs

– ~3,300 C&GT programs in the biopharma R&D pipeline, with >2/3 of programs in preclinical phase

Recent M&A established premier C&GT CDMO portfolio in high-growth market

COGNATE BIOSERVICES A Charles River Company

Vigene Biosciences Excellence in Gene Delivery

Broad capabilities across all modalities

Accelerating discovery to clinical candidate & beyond

Modality		Spectrum of Capabilities		Acquisitions
Small Molecule	**Discovery**	**Non-Clinical Development**	Early discovery and disease biology capabilities across major therapeutic areas to develop innovative small molecule candidates	argenta BioFocus
Large Molecule/ Antibodies	**Discovery**	**Non-Clinical Development + Biologics QC Testing**	Antibody libraries and integrated antibody optimization technologies to provide fully integrated antibody drug discovery services	distributed bio algorithms for life
Cell & Gene Therapy	**Discovery**	**Non-Clinical Development + Biologics QC Testing + Clinical/Commercial Production**	Cellular products, efficacy and safety testing, process development, analytical testing, and CDMO solutions to support clients through commercial production of advanced drug modalities	COGNATE BIOSERVICES A Charles River Company; Vigene Biosciences Excellence in Gene Delivery

Multiple strategies to strengthen portfolio and enhance value for our clients and shareholders

Disciplined M&A

M&A remains top, long-term priority for disciplined capital deployment and enhances growth strategy

Invested >$4.5B in >25 acquisitions since 2012

Focused on enhancing breadth of scientific capabilities, expanding global scale, and maintaining leadership in advanced and emerging therapies

Strategic Partnerships

Partnerships and licensing arrangements add innovative capabilities and cutting-edge technologies with limited upfront risk

19 active partnerships currently with >$110M invested to-date(1)

Highlights include:

- Valo Health – Discovery AI
- ATEM – Cryo-EM platform for discovery
- Cypre – 3D tumor modeling
- PathoQuest – NGS sequencing

Venture Capital Relationships

Innovative strategy to establish CRL as a preferred partner to a large group of emerging, VC-backed biotech companies and create value

~10% of annual revenue comes from VC portfolio companies(2)

Nearly 30% avg. annual return on VC relationships (investments and revenue)(3)

(1) Amount invested in strategic partnerships excludes purchase price to acquire Distributed Bio.
(2) 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.
(3) Return calculation as of Oct. 2022 includes VC investment gains and operating cash flow from revenue generated from VC funds in which we have invested (both net of tax). It does not include revenue generated from VC funds in which we have not invested.

Cutting-edge digital transformation enhances 75 years of scientific expertise

Faster Data. Better Application. Improved Timelines. More Educated Results.

Digital roadmap for faster and more efficient data access

- Better scheduling and resource optimization
- Remove “white space” and reduce manual work

Digital ecosystem to manage client relationships

- Enhance real-time client connectivity
- E-commerce solutions
  - Enable clients to order research models online and goal to book their own studies
- Promote better data management and scientific decision making

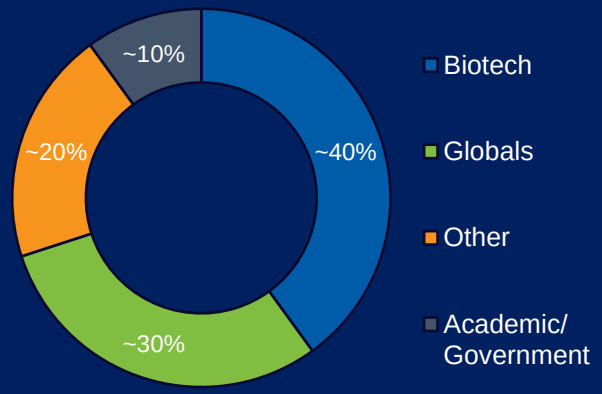
Enhance data-driven insights

- Enhanced AI / machine learning
- Drive data automation

Large and diverse client base provides stability and sustained growth

- Most of top 25 clients are large biopharmaceutical companies
- Capital market dependent (CMD) public biotechs with <2 years cash represent only ~5% of revenue
- Strong client overlap between business segments with opportunity to further capture incremental client wallet share

Revenue by Client Segment*



CRL New Biotech Clients Added**

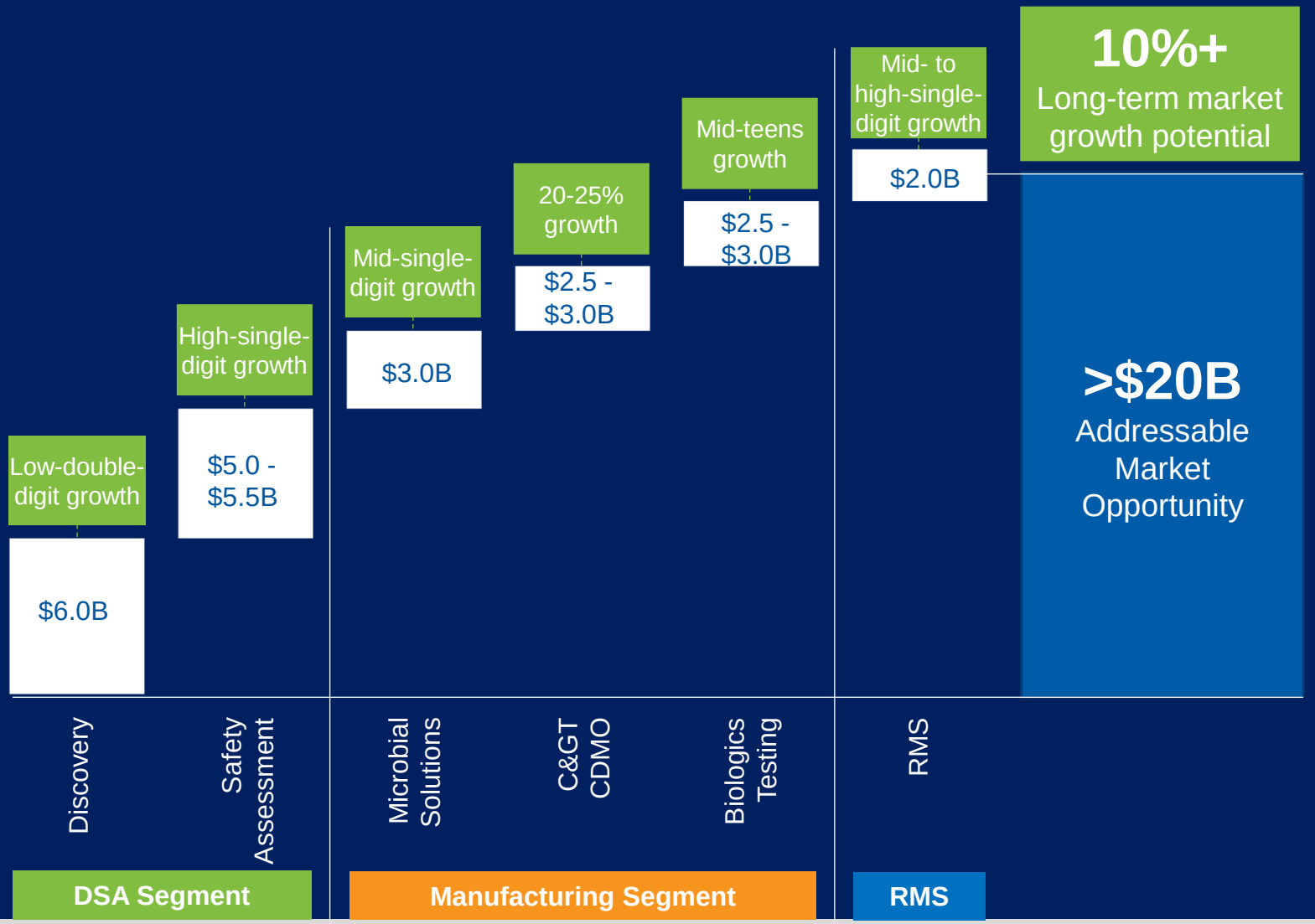
>2,000
Biopharma clients in 2022

Largest client
<3%
of total FY 2022 revenue

Top 25 clients
~30%
of total FY 2022 revenue

* CRL revenue by client segment based on FY 2022 revenue.
** New biotech clients updated for full-year data for each period.

Strong and durable industry fundamentals



Outsourcing continues to increase every year

Increasingly complex science

Exposure to high-growth markets

Note: All growth rates (in green boxes) represent the long-term market sector growth potential.

Our commitment to Corporate Citizenship

Leadership

Operating our business with integrity and accountability

- 36% women or minority representation on Board
- Adopted proxy access in 2021
- Formalized and launched ESG Council, chaired by COO
- Humane Care Initiative: 3R principles of Replacement, Reduction and Refinement
- Published formal Human Rights statement aligned with U.N. principles

People

Creating a work environment built on trust, inclusion, accountability, respect, and well-being

- 9 global Employee Resource Groups (ERGs) with >2,000 employees
- Demonstrate equitable pay practices, with less than 1% gap in pay by gender (global) and race/ethnicity (U.S.)
- Provide employee sabbaticals and additional development opportunities
- Employees completed nearly 290,000+ development courses in 2021

Communities

Supporting and investing in the geographies where we live and work

- Established Charles River Employee Relief Fund in 2021
- Launched Charitable Match Policy, with 1:1 company match of employee charitable donations
- Employees volunteered a collective 13,000+ hours of service in 2021
- Donated 500 STEM boxes for youth in foster care during first annual STEM Day

Environment

Embedding working safely and sustainably into everything we do

- Funded $4.5M capital projects in 2021 under the Sustainability Capital Fund
  - Goal to reduce annual GHG emissions ~3.2%
- Achieved 25% reduction in global Scope 1 & 2 GHG emissions from 2018 to 2021
- Committed to achieving 100% renewable electricity by end of 2023 through vPPAs in North America (solar) and Europe (wind)

1Q23 Performance and 2023 Guidance

($ in millions, except per share data)	1Q23	1Q22	%Δ	Organic CC %Δ
RMS	$199.8	$176.5	13.2%	6.8%
DSA	$662.4	$544.3	21.7%	23.6%
Manufacturing	$167.3	$193.1	(13.4)%	(1.8)%
Revenue	$1,029.4	$913.9	12.6%	15.4%
GAAP OM%	16.3%	16.3%	—	
Non-GAAP OM%	21.2%	21.4%	(20) bps	
GAAP EPS	$2.01	$1.81	11.0%	
Non-GAAP EPS	$2.78	$2.75	1.1%	

2023 Guidance

Reported Revenue Growth
2.0% - 4.5%

Organic Revenue Growth
5.0% - 7.5%

Non-GAAP Operating Margin
Flat to lower vs. 21.0% in 2022

GAAP EPS
$7.45 - $8.45

Non- GAAP EPS
$9.90 - $10.90

Free Cash Flow
$330M-$380M

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

Robust value creation supported by strategic imperatives

Strengthen Portfolio

Continuous innovation to distinguish ourselves scientifically and unlock new capabilities
- Emerging therapies and modalities
- High-growth investment opportunities

Drive Efficiency

Maximizing synergies across portfolio to drive value for clients
- Process optimization and harmonization to drive continuous improvement
- Scale operating model and optimize operational effectiveness

Enhance Speed

Targeting to reduce early-stage timelines by an additional year
- Leveraging expertise in science, digital enterprise, and regulatory compliance
- Decentralized and agile decision making to enhance responsiveness

Champion Technology

Transforming industry and client experience with best-in-class technology platform
- Real-time access to scientific data with self-service options
- E-commerce solutions, automation/robotics and AI/machine learning

Advance Culture

Delivering meaningful contributions through an exceptional work environment
- Focused on opportunities for growth, well-being, meaningful work, and recognition
- Make a difference to colleagues, clients, and communities through purpose, belonging, and support

Regulation G Financial Reconciliations

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE GROWTH, ORGANIC (UNAUDITED)
EXCLUDING THE IMPACT OF FOREIGN EXCHANGE, ACQUISITIONS, DIVESTITURES, AND 53rd WEEK [1]

	Twelve Months Ended				
	December 31, 2022	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**	**December 29, 2018**
Revenue growth, reported	12.3 %	21.1 %	11.5%	15.7%	22.0%
Impact of foreign exchange	3.5 %	(1.8)%	(0.4%)	1.5%	(1.3%)
Impact of acquisitions [2]	(2.6)%	(4.6)%	(4.1%)	(8.7%)	(12.1%)
Impact of divestitures [3]	1.7 %	0.4 %	—	—	0.1%
Impact of 53rd week	(1.5)%	—	—	—	—
Non-GAAP revenue growth, organic	**13.4%**	**15.1%**	**7.0%**	**8.5%**	**8.7%**

(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) A CDMO business, which was acquired as part of WIL Research on April 4, 2016, was divested on February 10, 2017. The Company sold both its RMS Japan operations and its CDMO site in Sweden on October 12, 2021. The Company also sold its Avian Vaccine business on December 20, 2022. These adjustments represent the revenue from these businesses for all applicable periods.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP OPERATING INCOME [1]

(dollars in thousands)

	Twelve Months Ended				
	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
Revenue	$ 3,976,060	$ 3,540,160	$ 2,923,933	$ 2,621,226	$ 2,266,096
Operating income	650,975	589,862	432,729	351,151	331,383
Operating income as a % of revenue	16.4 %	16.7 %	14.8 %	13.4 %	14.6 %
Add back:					
Amortization related to acquisitions	146,934	128,148	118,618	90,867	64,831
Severance and executive transition costs	4,088	4,718	7,586	11,458	8,680
Acquisition-related adjustments [2]	18,566	15,867	19,623	39,439	19,184
Site consolidation costs, impairments and other items [3]	13,405	3,468	6,457	4,283	864
Total non-GAAP adjustments to operating income	$ 182,993	$ 152,201	$ 152,284	$ 146,047	$ 93,559
Operating income, excluding non-GAAP adjustments	$ 833,968	$ 742,063	$ 585,013	$ 497,198	$ 424,942
Non-GAAP operating income as a % of revenue	21.0 %	21.0 %	20.0 %	19.0 %	18.8 %

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

(dollars in thousands)

	Twelve Months Ended				
	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
Net cash provided by operating activities	$ 619,640	$ 760,799	$ 546,575	$ 480,936	$ 441,140
Add back: Tax impact of Avian divestiture [4]	35,344	—	—	—	—
Less: Capital expenditures	(324,733)	(228,772)	(166,560)	(140,514)	(140,054)
Free cash flow	$ 330,251	$ 532,027	$ 380,015	$ 340,422	$ 301,086

[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, fair value adjustments associated with contingent consideration, and an adjustment related to certain indirect tax liabilities. 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.

[3] Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

[4] Free cash flow has been adjusted to exclude the cash tax impact related to the divestiture of our Avian business, which is recorded in Net cash provided by 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 Avian 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 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
Net income attributable to common shareholders	$ 486,226	$ 390,982	$ 364,304	$ 252,019	$ 226,373
Less: Income from discontinued operations, net of income taxes	—	—	—	—	1,506
Net income from continuing operations attributable to common shareholders	486,226	390,982	364,304	252,019	224,867
Add back:					
Amortization related to acquisitions	146,934	128,148	118,618	90,867	64,831
Severance and executive transition costs	4,088	4,718	7,586	11,458	8,680
Acquisition related adjustments [2]	18,566	15,867	19,623	39,439	19,184
Site consolidation costs, impairments and other items [3]	13,405	3,468	6,457	4,283	864
Gain on divestitures [4]	(123,524)	(22,656)	—	—	—
Write-off of deferred financing costs and fees related to debt financing	—	26,089	—	1,605	5,060
Venture capital and strategic equity investment losses (gains), net	26,775	30,419	(100,861)	(20,707)	(15,928)
Loss due to U.S. Pension termination	—	—	10,283	—	—
Other [5]	5,285	(2,942)	—	—	—
Tax effect of non-GAAP adjustments:					
Tax effect from U.S. Tax Reform [6]	—	—	—	—	(5,450)
Tax effect from enacted tax law changes	(382)	10,036	—	—	—
Tax effect from divestiture of CDMO business	—	—	—	—	(1,000)
Non-cash tax provision (benefit) related to international financing structure [7]	4,648	4,809	4,444	(19,787)	—
Tax effect of the remaining non-GAAP adjustments	(11,399)	(58,404)	(18,953)	(24,811)	(17,166)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 570,622	$ 530,534	$ 411,501	$ 334,366	$ 283,942
Weighted average shares outstanding - Basic	50,812	50,293	49,550	48,730	47,947
Effect of dilutive securities:					
Stock options, restricted stock units, and performance share units	489	1,132	1,061	963	1,071
Weighted average shares outstanding - Diluted	51,301	51,425	50,611	49,693	49,018
Earnings per share from continuing operations attributable to common shareholders					
Basic	$ 9.57	$ 7.77	$ 7.35	$ 5.17	$ 4.69
Diluted	$ 9.48	$ 7.60	$ 7.20	$ 5.07	$ 4.59
Basic, excluding non-GAAP adjustments	$ 11.23	$ 10.55	$ 8.30	$ 6.86	$ 5.92
Diluted, excluding non-GAAP adjustments	$ 11.12	$ 10.32	$ 8.13	$ 6.73	$ 5.80

[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 arrangements, and an adjustment related to certain indirect tax liabilities. 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.

[3] Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

[4] Adjustments included in 2022 relate to the gain on sale of our Avian business. Adjustments included in 2021 relate to the preliminary gain on sale of our RMS Japan business as well as a gain on an immaterial divestiture.

[5] Adjustments included in 2022 primarily relate to a purchase price adjustment in connection with the 2021 divestiture of RMS Japan, a loss on the termination of a Canadian pension plan, and the reversal of an indemnification asset related to a prior acquisition. Adjustment included in 2021 relates to the finalization of an annuity purchase related to the termination of our U.S. pension plan.

[6] This adjustment is related to the refinement of one-time charges associated with the enactment of U.S. Tax Reform related to the transition tax on unrepatriated earnings (also known as the toll tax), and the revaluation of U.S. federal net deferred tax liabilities.

[7] These adjustments relate 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	
	April 1, 2023	**March 26, 2022**
Research Models and Services		
Revenue	$ 199,766	$ 176,542
Operating income	40,409	47,882
Operating income as a % of revenue	20.2 %	27.1 %
Add back:		
Amortization related to acquisitions	5,494	3,838
Severance	—	674
Acquisition related adjustments [2]	830	383
Total non-GAAP adjustments to operating income	$ 6,324	$ 4,895
Operating income, excluding non-GAAP adjustments	$ 46,733	$ 52,777
Non-GAAP operating income as a % of revenue	23.4 %	29.9 %
Depreciation and amortization	$ 13,489	$ 9,469
Capital expenditures	$ 19,084	$ 8,646
Discovery and Safety Assessment		
Revenue	$ 662,353	$ 544,259
Operating income	171,431	104,986
Operating income as a % of revenue	25.9 %	19.3 %
Add back:		
Amortization related to acquisitions	17,487	22,365
Severance	—	74
Acquisition related adjustments [2]	244	(2,923)
Site consolidation costs, impairments and other items [3]	2,805	69
Total non-GAAP adjustments to operating income	$ 20,536	$ 19,585
Operating income, excluding non-GAAP adjustments	$ 191,967	$ 124,571
Non-GAAP operating income as a % of revenue	29.0 %	22.9 %
Depreciation and amortization	$ 42,450	$ 46,789
Capital expenditures	$ 65,184	$ 48,930
Manufacturing Solutions		
Revenue	$ 167,254	$ 193,128
Operating income	2,106	46,368
Operating income as a % of revenue	1.3 %	24.0 %
Add back:		
Amortization related to acquisitions	12,021	11,898
Severance	916	107
Acquisition related adjustments [2]	829	4,142
Site consolidation costs, impairments and other items [3]	7,062	1,421
Total non-GAAP adjustments to operating income	$ 20,828	$ 17,568
Operating income, excluding non-GAAP adjustments	$ 22,934	$ 63,936
Non-GAAP operating income as a % of revenue	13.7 %	33.1 %
Depreciation and amortization	$ 20,084	$ 18,482
Capital expenditures	$ 21,738	$ 22,828

CONTINUED ON NEXT SLIDE

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

	Three Months Ended	
	April 1, 2023	**March 26, 2022**
CONTINUED FROM PREVIOUS SLIDE		
Unallocated Corporate Overhead	$ (46,054)	$ (50,458)
Add back:		
Severance	—	1,087
Acquisition related adjustments [2]	2,112	4,116
Other items [3]	91	—
Total non-GAAP adjustments to operating expense	$ 2,203	$ 5,203
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (43,851)	$ (45,255)
Total		
Revenue	$ 1,029,373	$ 913,929
Operating income	167,892	148,778
Operating income as a % of revenue	16.3 %	16.3 %
Add back:		
Amortization related to acquisitions	35,002	38,101
Severance	916	1,942
Acquisition related adjustments [2]	4,015	5,718
Site consolidation costs, impairments and other items [3]	9,958	1,490
Total non-GAAP adjustments to operating income	$ 49,891	$ 47,251
Operating income, excluding non-GAAP adjustments	$ 217,783	$ 196,029
Non-GAAP operating income as a % of revenue	21.2 %	21.4 %
Depreciation and amortization	$ 77,069	$ 75,299
Capital expenditures	$ 106,875	$ 80,464

(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, fair value adjustments associated with contingent consideration arrangments, and an adjustment related to certain indirect tax liabilities.

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

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

Three Months Ended April 1, 2023	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	12.6 %	13.2 %	21.7 %	(13.4)%
Decrease due to foreign exchange	2.1 %	2.5 %	2.1 %	1.9 %
Contribution from acquisitions [2]	(1.8)%	(8.9)%	(0.2)%	— %
Impact of divestitures [3]	2.5 %	— %	— %	9.7 %
Non-GAAP revenue growth, organic [4]	**15.4 %**	**6.8 %**	**23.6 %**	**(1.8)%**

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

(2) The contribution from acquisitions reflects only completed acquisitions.

(3) The Company sold our Avian business on December 20, 2022. These adjustments represent the revenue from these businesses for all applicable periods in 2023 and 2022.

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)[1]
(in thousands, except per share data)

	Three Months Ended	
	April 1, 2023	March 26, 2022
Net income attributable to common shareholders	$ 103,131	$ 93,022
Add back:		
Non-GAAP adjustments to operating income (Refer to previous schedule)	49,891	47,251
Venture capital and strategic equity investment losses, net	3,282	13,903
Gain on divestitures [2]	(441)	—
Other [3]	(101)	357
Tax effect of non-GAAP adjustments:		
Non-cash tax provision related to international financing structure [4]	1,124	1,122
Tax effect of the remaining non-GAAP adjustments	(13,899)	(14,520)
Net income attributable to common shareholders, excluding non-GAAP adjustments	$ 142,987	$ 141,135
Weighted average shares outstanding - Basic	51,097	50,640
Effect of dilutive securities:		
Stock options, restricted stock units and performance share units	331	685
Weighted average shares outstanding - Diluted	51,428	51,325
Earnings per share attributable to common shareholders:		
Basic	$ 2.02	$ 1.84
Diluted	$ 2.01	$ 1.81
Basic, excluding non-GAAP adjustments	$ 2.80	$ 2.79
Diluted, excluding non-GAAP adjustments	$ 2.78	$ 2.75

(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) Adjustments included in 2023 relate to the gain on sale of our Avian business, which was divested in 2022.

(3) Amount included in 2023 relates to a final adjustment on the termination of a Canadian pension plan. Amount included in 2022 relates to the sale of RMS Japan operations in October 2021.

(4) This amount 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 REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 30, 2023E

2023 GUIDANCE	CURRENT	PRIOR
Revenue growth, reported	2.0% – 4.5%	1.5% – 4.5%
Impact of divestitures/(acquisitions), net	~1.5%	~1.5%
Impact of 53rd week in 2022	~1.5%	~1.5%
Unfavorable/(favorable) impact of foreign exchange	0.0% - (0.5)%	0.0% - (0.5)%
Revenue growth, organic (1)	5.0% – 7.5%	4.5% – 7.5%
GAAP EPS estimate	$7.45 – $8.45	$7.40 – $8.60
Acquisition-related amortization	~$2.00	~$2.00
Acquisition and integration-related adjustments (2)	~$0.10	~$0.10
Venture capital and other strategic investment losses/(gains), net (3)	$0.03	--
Other items (4)	$0.30 – $0.35	~$0.20
Non-GAAP EPS estimate	$9.90 – $10.90	$9.70 – $10.90

Footnotes to Guidance Table:

(1) Organic revenue growth is defined as reported revenue growth adjusted for completed acquisitions and divestitures, the 53rd week in 2022, and foreign currency translation.

(2) These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain third-party integration costs, and certain costs associated with acquisition-related efficiency initiatives.

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

(4) These items primarily relate to charges associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure; certain third-party legal costs related to (a) environmental litigation related to the Microbial Solutions business and (b) investigations by the U.S. government into the NHP supply chain related to our Safety Assessment business; and severance and other costs related to the Company's efficiency initiatives.

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

	Three Months Ended		Fiscal Year Ended
	April 1, 2023	**March 26, 2022**	**December 30, 2023E**
Net cash provided by operating activities	$ 109,383	$ 102,630	$680 - $730 million
Less: Capital expenditures	(106,875)	(80,464)	$340 - $360 million
Free cash flow	$ 2,508	$ 22,166	$330 - $380 million

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