4Q19/FY19 Regulation G Financial Reconciliations



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP SELECTED BUSNESS SEGMENT INFORMATION (UNALDITED)⁽¹⁾ (in thousands, except percentages)

Add back: 339 383 1,185 Amorization related to acquisitions 339 383 1,06 1,161 Acquisition related adjustments $^{(1)}$ - (23) 2,201 (23) Site consolidation costs, impairments and other items 786 - 1,043 822 Total non-GAAP adjustments to openting income \$2,125 \$713 \$6,731 \$12,85 \$140,043 \$140,013 Non-GAAP openting income, as $%$ of revenue 24.6% \$2,119 \$12,25% \$140,043 \$140,013 \$140,013 Non-GAAP openting income as $\%$ of revenue 24.6% \$2,119 \$2,23% \$140,043 \$140,013 Capital eqenditures \$12,010 \$170,07 \$2,25% \$23,9% \$15,172 Discovery and Safety Assessment 80,99% \$2,499% \$2,490% \$16,169,995 \$1,316,854 Operating income as $\%$ of revenue \$2,377 14,415 80,424 \$21,113 Add back: - - - (207) (117) Add back: - - - (217) (117) Add back: - <			Three Mor	ths End	led		Twelve Mo	fonths Ended				
Revenue S 13.137 S D28.467 S 570.08 S 509.02 Operating income as a % of revenue 23.0 % 234.6 % 24.9 % 23.3 % Add back:		Decen	nber 28, 2019	Dece	ember 29, 2018	Dece	mber 28, 2019	Dec	ember 29, 2018			
Openning income as a % of revenue 20.0 % 24.6 % 24.9 % 26.4 % And back: 339 383 1.531 1.585 Anotization related to acquisitions 339 383 1.581 1.585 Severance 1.000 533 2.006 1.616 Acquisition related adjustments (*) - (2.3) 2.201 (2.5) Severance 76 - 1.043 \$2.253 \$1.33 \$2.455 \$1.100 \$2.253 \$1.40641 \$2.155 \$1.100 \$2.262 % \$2.69 % \$1.40645 \$1.40064 \$2.61 % \$2.62 % \$2.69 % \$2.61 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 % \$2.60 % \$2.51 %	Research Models and Services											
Operating income as a % of revenue 23.0 % 24.6 % 24.9 % 24.9 % 24.3 % Add back: 339 383 1.381 1.585 Sevenance 1.000 353 2.106 1.161 Acquisition related appriments and other items 766 - 1003 822 Total ono-GAAP adjustments 5 32.08 5 713 5 6731 5 35 Operating income, excluding non-GAAP adjustments 5 32.08 5 32.08 5 140.013 5 140.013 Non-GAAP operating income, as 4% of revenue 24.6 % 25.1 % 20.2 % 26.9 % 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 140.013 5 12.010 5 15.0 % 5 1.131 130.0130 22.157 7 14.15 80.025.05	Revenue	\$	131,317	\$	128,487	\$	537,089	\$	519,682			
Add bab: 339 383 1.381 1.585 Add pair 339 383 1.381 1.585 Sevenne 1.000 353 2.06 1.61 Acquisition related adjustments (*) - - 2.03 2.03 (.23) Seconsolidation costs, impairments and other items 76 - 1.043 \$ 3.555 Operating income, excluding non-GAAP adjustments \$ 3.2308 \$ 3.2238 \$ 1.40013 \$ 1.40013 Non-GAAP operating income as % of revenue \$ 4.26 % 2.15 % \$ 1.917 \$ 1.9469 Capital equenditures \$ 4.999 \$ 4.904 \$ 1.9197 \$ 1.9469 Capital equenditures \$ 4.9202 \$ 3.8189 \$ 1.618.955 \$ 1.516.854 Operating income \$ 4.9202 \$ 3.849 \$ 1.618.95 \$ 1.516.854 Operating income as % of revenue \$ 4.9718 4 7.211 1.014 Acthabaci: - - </td <td>Operating income</td> <td></td> <td>30,183</td> <td></td> <td>31,575</td> <td></td> <td>133,912</td> <td></td> <td>136,468</td>	Operating income		30,183		31,575		133,912		136,468			
Amoritation related to acquisitions 339 383 1.381 1.885 Severance 1.000 383 2.106 1.161 Acquisition related adjustments 0 (23) 2.201 (23) Site consolidation costs, impairments and other items 766 (23) 5 6.731 5 5.555 Openting income, cextualing non-GAAP adjustments \$ 2.208 \$ 140.633 \$ 140.013 Non-GAAP openting income as a % of revenue 2.46.% 2.51.% 26.298 \$ 19.197 \$ 19.400 Capital expenditures \$ 4.999 \$ 4.904 \$ 19.197 \$ 19.400 Capital expenditures \$ 4.999 \$ 38.189 \$ 1.618.995 \$ 1.316.854 Operating income \$ 4.990.22 \$ 38.189 \$ 1.618.995 \$ 1.316.854 Operating income as a % of revenue \$ 5.23.07 1.4415 8.424 \$ \$ 21.75 Add back: - - - -	Operating income as a % of revenue		23.0 %		24.6 %		24.9 %		26.3 %			
Sevenace 1.000 353 2.105 1.161 Acquisition related adjustments and other items 766 -1 0.03 822 Total non-GAAP adjustments to operating income 5 2.125 5 713 5 6.731 8 822 Operating income, excluding non-GAAP adjustments 24.6 % 22.1 % 24.2 % 26.9 % 25.9 % 5 14.003 822 Depreciation and amortization 5 4.999 5 4.904 5 $19,197$ 5 $19,469$ Capital espenditures 5 4.992 5 38.189 5 $1.618.995$ 5 $1.618.995$ 5 $1.216.851$ Operating income 5 $4.992.022$ 5 38.189 67.186 $228,903$ 227.577 Operating income 5 4.9202 5 38.189 60.186 $228,903$ 227.577 Operating income 22.377 14.415 80.424 52.177 Add back: 22.377 14.415 80.424 52.177	Add back:											
Acquisition related adjustments $^{(1)}$ <th< td=""><td>Amortization related to acquisitions</td><td></td><td>339</td><td></td><td>383</td><td></td><td>1,381</td><td></td><td>1,585</td></th<>	Amortization related to acquisitions		339		383		1,381		1,585			
Site consolidation costs, impairments and other items 786 1.043 822 Total non-GAAP adjustments \$ 2.125 \$ 713 6.6711 \$ 3.545 Operating income, excluding non-GAAP adjustments \$ 22.08 \$ 140.013 8.00133 8.00133 8.00133 8.00133 8.00133 8.001333 8.001333 8.001333 8.001333 8.001333 8.001333 8.0013333 8.0013333 8.0013333 8.0013333 8.0013333 8.0013333 $8.$	Severance		1,000		353		2,106		1,161			
S 2.125 S 713 S 6.731 S 3.345 Operating income, excluding non-GAAP adjustments S $3.2,308$ S 3.2288 S 140.643 S 140.043 S 150.095 S 120.050 S 120.050 S 120.050 S 120.050 S 120.050 S 120.050 S	Acquisition related adjustments (2)		_		(23)		2,201		(23)			
Operating income, excluding non-GAAP adjustments 5 32,308 5 32,228 5 140,643 5 140,013 Non-GAAP operating income as a % of revenue 24.6 % 25.1 % 26.2 % 26.9 % Depreciation and amortization Capital expenditures 5 4.999 \$ 4.904 \$ 19,197 \$ 19,469 Capital expenditures 5 12,010 \$ 17,067 \$ 26,899 \$ 15,172 Discovery and Safety Assessment Exercute \$ 49,902 \$ 358,189 \$ 1,618,995 \$ 1,316,854 Operating income \$ 49,778 4 7,311 1,014 1,313 1,0130 2,779 Severance 4,778 4 1 7,311 1,014 1,313 1,0130 2,779 Site consolidation reaks a % of revenue 5 2,749 \$ 1,5769 \$ 97,658 \$ 5,7887 Operating income as a % of revenue 5 39,998 \$ 29,714	Site consolidation costs, impairments and other items		786				1,043		822			
Non-GAAP operating income as a % of revenue 24.6 % 25.1 % 26.2 % 26.9 % Depreciation and amorization \$ 4.999 \$ 4.904 \$ 19.197 \$ 19.469 Capital expenditures \$ 12.000 \$ 17.067 \$ 26.989 \$ 35.172 Discovery and Safety Assessment 8 36.89 \$ 16.18.995 \$ 1.316.854 Operating income \$ 499.202 \$ 358.189 \$ 1.618.995 \$ 1.316.854 Add back: 19.19 18.88 \$ 16.0 % 17.37 Add back: - - - 2077 1.014 Acquisition related acquisitions 22.357 14.415 80.424 54.211 . Acquisition related adjustments '0' 1.614 1.313 10.130 2.2797 	Total non-GAAP adjustments to operating income	\$	2,125	\$	713	\$	6,731	\$	3,545			
Depreciation and amoritation \$ 4.999 \$ 4.904 \$ 19,197 \$ 19,469 Capiel expenditures \$ 12,010 \$ 17,067 \$ 26,099 \$ 35,172 Discovery and Safety Assessment Evenue \$ 439,202 \$ 358,189 \$ 1.618,995 \$ 1.316,854 Operating income 83,869 67,186 228,803 227,577 Operating income 83,869 67,186 228,803 227,577 Operating income as % of revenue 19,1 % 18,8 % 16,0 % 17,3 % 441 7,313 10,130 22,779 14,415 80,424 54,211 50,424 54,211 10,444 54,211 10,444 54,211 10,130 2,779 35 16,164 1,313 10,130 2,779 5 7,658 5 5 5,58,78 41 7,713 5 5,58,76 5 28,749 5 15,769 5 7,768 5 5,58,76 5 28,566<	Operating income, excluding non-GAAP adjustments	\$	32,308	\$	32,288	\$	140,643	\$	140,013			
Capital expenditures S 12,00 S 17,00 S 26,99 S 35,172 Discovery and Safely Assessment S 439,202 S 358,889 S 1.618,995 S 1.316,854 Operating income at % of revenue S 439,202 S 358,189 S 1.618,995 S 1.316,854 Operating income at % of revenue 19,1 % 18.8 % 61.06 % 127.3 % Add back: 22,357 14,415 80,424 54.211 Acquisition related to acquisitions 22,357 14,413 10,130 22,779 Ster consolidation costs, impairments and other items -	Non-GAAP operating income as a % of revenue		24.6 %		25.1 %		26.2 %		26.9 %			
Discovery and Safety Assessment Revenue \$ 499,202 \$ 358,189 \$ 1.618,995 \$ 1.316,854 Operating income \$ 33,689 67,186 258,903 227,577 Operating income is a % of revenue 19,1 % 18.8 % 160 % 17.3 % Add back: 19,1 % 18.8 % 160 % 17.3 % Add back: 4.778 4.1 7,311 1.0130 Severance 4.778 4.1 7,311 1.0140 Acquisition related adjustments (i) 16.14 1,313 10,130 2.779 Operating income, exhuding non-GAAP adjustments \$ 28,749 \$ 15,769 \$ 97,668 \$ 528,844 Non-GAAP operating income, exhuding non-GAAP adjustments \$ 112,438 \$ 429,550 \$ 356,561 \$ 28,844 Non-GAAP operating income as a % of revenue \$ 41,713 \$ 38,929 \$ 86,843 \$ 73,425 Manufacturing Support \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,560 Querating income \$ 2,260 \$ 2,219 90,662 90,512 Operating income \$ 32,77 \$ 2,260 \$ 2,219 90,62 90,512 Operating income \$ 3,327 \$ 2,260 \$ 2,219 90,62 90,512 Revenue <	Depreciation and amortization	\$	4,999	\$	4,904	\$	19,197	s	19,469			
Revenue S 439,202 S 338,189 S 1,618,995 S 1,316,854 Operating income 83,069 67,186 229,031 227,577 Add back: 22,357 14,415 80,424 54,211 A montization related to acquisitions 22,357 14,415 80,424 54,211 Severance 4,778 441 1,313 10,130 2,779 Site consolidation costs, impairments and other items - - - (207) (111) Total non-GAAP adjustments S 12,438 S 82,955 S 356,561 S 223,844 Non-GAAP operating income as a % of revenue 25.6 % 23.2 % 22.0 % 21.7 % Depreciation and amontization S 39,908 S 29,714 S 151,139 S 112,2976 Capital expenditures S 120,619 S 114,884 S 465,142 S 429,560 Operating income as a % of revenue 34.4 % 35.1 %	Capital expenditures	\$	12,010	\$	17,067	\$	26,989	\$	35,172			
Operating income 83,689 $67,186$ $228,903$ $227,577$ Operating income as $\$$ of revenue $19,1\%$ $18,8\%$ $16,0\%$ 17.3% Add bac: 22357 $14,415$ $80,424$ $54,211$ Severance $4,778$ 41 $7,311$ 1.014 Acquisition related digistments $^{(3)}$ 1.614 1.313 $10,103$ 2779 Site consolidation costs, inpairments and other items $ (207)$ (117) Total non-GAAP adjustments to operating income $$2,2749$ $$$$ $15,606$ $$$$ $97,668$ $$$$ $57,887$ Operating income, excluding non-GAAP adjustments $$$$ $112,438$ $$$$ $825,661$ $$$$ $225,6\%$ $232,\%$ $$20,0\%$ $$$$ $$$$ Depreciation and anortization $$$$ $39,908$ $$$$ $$$29,714$ $$$$ $$$15,11,9$ $$$$ $$$12,076$ Capital expenditures $$$$ $$$120,619$ $$$$ $$$14,854$ $$$$ $$$465,142$ $$$$	Discovery and Safety Assessment											
Operating income as a % of revenue 19.1 % 18.8 % 16.0 % 17.3 % Add back: - <td>Revenue</td> <td>\$</td> <td>439,202</td> <td>\$</td> <td>358,189</td> <td>\$</td> <td>1,618,995</td> <td>s</td> <td>1,316,854</td>	Revenue	\$	439,202	\$	358,189	\$	1,618,995	s	1,316,854			
Add back: 22,357 14,415 80,424 54,213 Amoritation related acquisitions 22,357 14,415 80,424 54,214 Acquisition related adjustments ⁽¹⁾ 1,614 1,313 10,130 2,779 Site consolidation costs, impairments and other items — — — (207) (117) Total ono-GAAP adjustments to operating income \$ 28,749 \$ 15,769 \$ 97,688 \$ 28,844 Non-GAAP operating income as a % of revenue 25,6 % 23,2 % 22,0 % 21,7 % 22,0 % 21,7 % Depreciation and amortization \$ 39,908 \$ 29,714 \$ 151,139 \$ 112,2976 Capital expenditures \$ 39,908 \$ 29,714 \$ 151,139 \$ 112,976 Capital expenditures \$ 39,908 \$ 29,714 \$ 151,139 \$ 112,976 Capital expenditures \$ 30,908 \$ 29,714 \$ 151,139 \$ 112,976 Capital expenditures \$ 14,257 40,308	Operating income		83,689		67,186		258,903		227,577			
Amortization related to acquisitions 22,357 14,415 80,424 54,211 Severance 4,778 41 7,311 1,014 Acquisition related digstments $^{(1)}$ 1,614 1,313 10,103 2,799 Site consolidation costs, inpairments and other items — — (207) (117) Total non-GAAP adjustments to operating income \$ 22,749 \$ 15,769 \$ 97,668 \$ 52,887 Operating income, excluding non-GAAP adjustments \$ 112,438 \$ 82,925 \$ 35,561 \$ 22,64% \$ 15,119 \$ 12,296 21,217% Depreciation and anortization \$ 39,908 \$ 29,714 \$ 15,11,39 \$ 112,976 Capital expenditures \$ 41,713 \$ 38,929 \$ 86,843 \$ 73,425 Manufacturing Support 41,527 40,308 145,420 136,212 \$ 429,560 36,313 % 31,3 % 31,3 % 31,3 % 31,7 % \$ 340 back: \$ 2,260 2,219 <td< td=""><td>Operating income as a % of revenue</td><td></td><td>19.1 %</td><td></td><td>18.8 %</td><td></td><td>16.0 %</td><td></td><td>17.3 %</td></td<>	Operating income as a % of revenue		19.1 %		18.8 %		16.0 %		17.3 %			
Sevenance 4,778 41 7,311 1,014 Acquisition related adjustments ⁽¹⁾ 1,614 1,313 10,130 2,779 Site consolidation costs, impairments and other items - - (207) (117) Total non-GAAP adjustments to openating income \$ 28,749 \$ 15,769 \$ 97,658 \$ 28,646 Non-GAAP openating income as % of revenue \$ 31,248 \$ 82,955 \$ 356,561 \$ 28,646 Non-GAAP openating income as % of revenue \$ 39,008 \$ 29,714 \$ 151,139 \$ 112,976 Capital expenditures \$ 41,713 \$ 38,929 \$ 86,843 \$ 73,425 Manufacturing Support Evenue \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,560 Openating income as % of revenue \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,560 Openating income as a % of revenue \$ <td>Add back:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Add back:											
Acquisition related adjustments $^{(1)}$ 1,614 1,313 10,130 2,779 Site consolidation costs, impairments and other items — — — (207) (117) Total non-GAAP adjustments to openting income \$ 28,749 \$ 15,769 \$ 97,658 \$ 5 5 58,8561 \$ 28,844 Non-GAAP objecting income, excluding non-GAAP adjustments \$ 112,438 \$ 82,955 \$ 335,5561 \$ 28,8544 Non-GAAP objecting income as a % of revenue 25,6 % 23,2 % 22,0 % 21,7 % \$ 112,976 Depreciation and amorization \$ 39,908 \$ 29,714 \$ 151,139 \$ 112,976 Graptal expenditures \$ 120,619 \$ 114,854 \$ 465,142 \$ 42,959,560 Operating income \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,520 Operating income \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,520 Add back: = 11	Amortization related to acquisitions		22,357		14,415		80,424		54,211			
Site consolidation costs, impairments and other items — — — — — (117) Total non-GAAP adjustments to operating income S $28,749$ \$ $15,769$ \$ $97,668$ \$ $57,887$ Operating income, excluding non-GAAP adjustments \$ 112438 \$ 82955 \$ $355,561$ \$ $223,2\%$ 220% $217,\%$ Depreciation and amorization \$ $39,908$ \$ $29,714$ \$ $151,139$ \$ $112,296$ Capital expenditures \$ $41,713$ \$ $38,929$ \$ $86,843$ \$ $73,425$ Manufacturing Support $41,527$ $40,308$ $145,420$ $133,6212$ 31.3% 31.3% 31.7% Add back: 2260 2.219 90062 $90,055$ $8ee nac$ 1102 35.7 1282 1122 31.3% 31.3% 31.7% 312% 1122 $8ee nac$ 1122 $8ee nac$	Severance		4,778		41		7,311		1,014			
S 28,749 S 15,769 S 97,658 S 57,887 Operating income, excluding non GAAP adjustments S 112,438 S 82,955 S 356,561 S 228,464 Non-GAAP operating income, as a % of revenue 25.6 % 23.2 % 22.0 % 21.7 % Depreciation and amortization S 39,008 S 29,714 S 151,139 S 112,976 Capital expenditures S 41,713 S 38,929 \$6,643 S 73,455 Manifacturing Support Revene S 120,619 S 114,854 \$465,142 S 429,560 Operating income 41,527 40,308 145,420 136,212 0,44,44 31.3 % 31.7 % 31.3 % 31.7 % Add back: 22,600 2,219 9,002 9,003 5 12,231 1,02 357 1,651 1,227 Acquisition related adjustments ⁽¹⁾ 68 112 286 112 366 112<	Acquisition related adjustments (3)		1,614		1,313		10,130		2,779			
Operating income, excluding non-GAAP adjustments \$ 112438 \$ 82,955 \$ 356,561 \$ 285,644 Non-GAAP operating income as a % of revenue 25.6 % 22.2 % 22.0 % 21.7 % Depreciation and amorization \$ 39,908 \$ 29,714 \$ 151,139 \$ 112,976 Capital expenditures \$ 41,713 \$ 38,929 \$ 86,843 \$ 73,425 Mandfacturing Support \$ 120,619 \$ 114,854 \$ 465,142 \$ 40,521 \$ 40,308 145,220 136,212 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,521 \$ 40,531 \$ 11,02 357 \$ 1,651 \$ 1,227 \$ 40,323 \$ 199 \$ \$ <td>Site consolidation costs, impairments and other items</td> <td></td> <td>_</td> <td></td> <td>_</td> <td></td> <td>(207)</td> <td></td> <td>(117)</td>	Site consolidation costs, impairments and other items		_		_		(207)		(117)			
Non-GAAP operating income as a % of revenue 25.6 % 23.2 % 22.0 % 21.7 % Depreciation and amortization Capital expenditures \$ 39908 \$ 29,714 \$ 115,139 \$ 112,976 Capital expenditures \$ 41,713 \$ 38,929 \$ 86,843 \$ 73,425 Manufacturing Support Evenue \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,560 Operating income \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,560 Operating income as % of revenue \$ 34.4 % 35.1 % 31.3 % 31.7 % Add back: - - - 1.820 90.055 Severance 2,260 2,219 9.0062 9.035 Severance 1,102 357 1.651 1.227 Acquisition related adjustments (¹⁰) 68 112 2866 112 Ste consolidation costs, impairments and other items (105) -	Total non-GAAP adjustments to operating income	\$	28,749	\$	15,769	\$	97,658	\$	57,887			
Depreciation and amortization S 39,008 S 29,714 S 151,139 S 112,976 Capital expenditures S 41,713 S 38,929 S 86,843 S 73,425 Manufacturing Support Revenue S 120,619 S 114,854 S 465,142 S 429,560 Operating income 41,527 40,308 145,200 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 136,212 0 0 136,212 0 136,212 0 0 0 0 131,3% 31,3%	Operating income, excluding non-GAAP adjustments	\$	112,438	\$	82,955	\$	356,561	\$	285,464			
Capital expenditures \$ 41,713 \$ 38,929 \$ 86,843 \$ 73,425 Manufacturing Support Evenue \$ 120,619 \$ 114,854 \$ 465,142 \$ 429,560 Operating income \$ 144,527 \$ 114,854 \$ 465,142 \$ 429,560 Operating income \$ 41,527 \$ 40,308 \$ 145,820 \$ 435,212 \$ 429,560 \$ 31.3 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2 % 31.2	Non-GAAP operating income as a % of revenue		25.6 %		23.2 %		22.0 %		21.7 %			
Manufacturing Support S 120,619 S 114,854 S 465,142 S 429,560 Operating income 41,527 40,308 145,420 136,212 0,602 136,212 0,602 136,212 0,602 136,212 0,602 136,212 0,602 136,212 0,602 136,212 0,602 136,212 0,602 136,212 0,603 136,212 0,603 136,212 0,603 136,212 0,603 136,212 0,603 136,212 0,603 136,317,% 31,3% 31,7% 31,3% 31,7% 31,7% 31,2% 31,2% 146,317 <	Depreciation and amortization	\$	39,908	\$	29,714	\$	151,139	\$	112,976			
Revenue \$ 120,619 \$ 114,854 \$ 4465,142 \$ 429,560 Operating income as a % of revenue 31,27 40,308 145,220 153,212 31,3 % 31,7 % Add back: 31,3 % 32,17 % 32,18 31,3 % 31,7 % Add back: 2,260 2,219 9,062 9,035 Severance 1,102 337 1,161 1,227 Acquisition related adjustments ⁽¹⁾ 68 112 286 112 Ste consolidation costs, impairments and other items (103) — 1,882 199 Total anon-GAAP adjustments to operating income \$ 3,27 \$ 2,088 \$ 12,218 \$ 146,745 Non-GAAP operating income as a % of revenue 37,2 % 37,4 % 33,9 % 342, %	Capital expenditures	\$	41,713	\$	38,929	\$	86,843	\$	73,425			
Operating income 41,527 40,308 145,420 136,212 Operating income as % of revenue 34.4 % 35.1 % 31.3 % 31.7 % Add bac:	Manufacturing Support											
Operating income as a % of revenue 34.4 % 35.1 % 31.3 % 31.7 % Add back: Amorization related to acquisitions 2,260 2,219 9,062 9,003 A morization related at acquisitions 2,260 2,219 9,062 9,003 Severance 1,102 357 1,651 1,227 A cquisition related adjustments ⁽¹⁾ 68 112 286 112 Site consolidation costs, impairments and other items (103) — 1,382 159 Total ano-GAAP adjustments to operating income <u>\$ 3,327 \$ 2,688 \$ 112,381 \$ 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 </u>	Revenue	\$	120,619	\$	114,854	\$	465,142	\$	429,560			
Add back: 2,260 2,219 9,062 9,083 Amortization related to acquisitions 2,260 2,219 9,062 9,083 Severance 1,102 337 1,651 1,227 Acquisition related adjustments ⁽¹⁾ 68 112 286 112 Site consolidation costs, impairments and other items (105) - 1,882 159 Total ano-GAAP adjustments to operating income \$ 3,327 \$ 2,688 \$ 12,281 \$ 10,651 Non-GAAP adjustments \$ 44,884 \$ 42,996 \$ 157,801 \$ 146,745 Non-GAAP operating income as a % of revenue 372 % 37.4 % 33.9 % 34.2 % Depreciation and amortization \$ 6,007 \$ 5,216 \$ 23,584 \$ 22,529	Operating income		41,527		40,308		145,420		136,212			
Amortization related to acquisitions 2,260 2,219 9,062 9,035 Severance 1,102 357 1,651 1,227 Acquisition related adjustments ⁽¹⁾ 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 \$ 4,484 \$ 4,2996 \$ 157,801 \$ 146,745 Non-GAAP operating income as a % of revenue 37,2 % 37,4 % 33,9 % 34,2 %	Operating income as a % of revenue		34.4 %		35.1 %		31.3 %		31.7 %			
Severance 1,102 357 1,651 1,227 Acquisition related adjustments ⁽¹⁾ 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 \$ 112,381 \$ 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	Add back:											
Acquisition related adjustments 68 112 286 112 Site consolidation costs, impairments and other items (103) — 1.382 159 Total ano-GAAP adjustments to operating income \$ 3.327 \$ 2.688 \$ 112 159 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	Amortization related to acquisitions		2,260		2,219		9,062		9,035			
Site consolidation costs, impairments and other items (103) — 1,382 159 Total non-GAAP adjustments to openting income \$ 3,327 \$ 2,688 \$ 12,381 \$ 10,533 Openting income, excluding non-GAAP adjustments \$ 44,854 \$ 42,996 \$ 157,801 \$ 146,745 Non-GAAP openting income as a % of revenue 37,2 % 37,4 % 33,9 % 34,2 % Depreciation and amortization \$ 6,007 \$ 5,216 \$ 23,584 \$ 22,529	Severance		1,102		357		1,651		1,227			
S 3,327 S 2,688 S 12,381 S 10,533 Operating income, excluding non-GAAP adjustments S 44,884 S 42,996 S 157,801 S 146,745 Non-GAAP operating income as a % of revenue 37.2 % 37.4 % 33.9 % 34.2 % Depreciation and amortization S 6,007 S 5,216 S 23,584 S 22,529	Acquisition related adjustments (3)		68		112		286					
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	Site consolidation costs, impairments and other items		(103)			-	1,382		159			
Non-GAAP operating income as a % of revenue 37.2 % 37.4 % 33.9 % 34.2 % Depreciation and amortization \$ 6,007 \$ \$,216 \$ 23,584 \$ 22,529	Total non-GAAP adjustments to operating income		3,327	\$	2,688	\$	12,381	\$	10,533			
Depreciation and amortization \$ 6,007 \$ 5,216 \$ 23,584 \$ 22,529	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 %			
Capital expenditures \$ 9,318 \$ 10,592 \$ 23,617 \$ 23,323	Depreciation and amortization		6,007	\$	5,216	\$	23,584	\$	22,529			
	Capital expenditures	\$	9,318	\$	10,592	\$	23,617	\$	23,323			



CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)⁽¹⁾

(in thousands, except percentages)

		Three Mor	nths En	ded	Twelve Months Ended					
	Decen	nber 28, 2019	Dec	ember 29, 2018	Dece	mber 28, 2019	Dec	ember 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 EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)⁽¹⁾

(in thousands, except per share data)

		Three Mo	nths Ende	Twelve Months Ended						
	Decem	ber 28, 2019	Decen	nber 29, 2018	Decen	nber 28, 2019	Decen	ber 29, 2018		
Net income attributable to common shareholders	\$	80,348	\$	59,665	\$	252,019	\$	226,373		
Less: Income from discontinued operations, net of income taxes								1,506		
Net income from continuing operations attributable to common shareholders Add back:		80,348		59,665		252,019		224,867		
Non-GAAP adjustments to operating income (Refer to Schedule 4)		38,882		19,788		146,047		93,559		
Write-off of deferred financing costs and fees related to debt financing		1,605		_		1,605		5,060		
Venture capital (gains) losses		(14,983)		6,832		(20,707)		(15,928)		
Tax effect of non-GAAP adjustments:										
Tax effect from U.S. Tax Reform ⁽²⁾		_		(2,650)		_		(5,450)		
Tax effect from divestiture of CDMO business		_		_		_		(1,000)		
Non-cash taxbenefit related to international financing structure (3)		581		_		(19,787)		_		
Taxeffect of the remaining non-GAAP adjustments Net income from continuing operations attributable to common shareholders,		(6,368)		(5,344)		(24,811)		(17,166)		
excluding non-GAAP adjustments	\$	100,065	\$	78,291	\$	334,366	\$	283,942		
Weighted average shares outstanding - Basic		48,875		48,143		48,730		47,947		
Effect of dilutive securities:										
stock		992		1,067		963		1,071		
Weighted average shares outstanding - Diluted		49,867		49,210		49,693		49,018		
Earnings per share from continuing operations attributable to common shareholders										
Basic	\$	1.64	\$	1.24	\$	5.17	\$	4.69		
Diluted	\$	1.61	\$	1.21	\$	5.07	\$	4.59		
Basic, excluding non-GAAP adjustments	\$	2.05	\$	1.63	\$	6.86	\$	5.92		
Diluted, excluding non-GAAP adjustments	\$	2.01	\$	1.59	\$	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) 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.

(3) This adjustment relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.



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

For the three months ended December 28, 2019	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	14.9 %	2.2 %	22.6 %	5.0 %
Decrease (increase) due to foreign exchange	0.6 %	0.6 %	0.4 %	1.3 %
Contribution from acquisitions	(8.1)%	%	(13.6)%	%
Non-GAAP revenue growth, organic ⁽³⁾	7.4 %	2.8 %	9.4 %	6.3 %
For the twelve months ended December 28, 2019	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	15.7 %	3.3 %	22.9 %	8.3 %
Decrease (increase) due to foreign exchange	1.5 %	1.9 %	1.1 %	2.7 %
Contribution from acquisitions (2)	(8.7)%	%	(14.9)%	(0.2)%
Non-GAAP revenue growth, organic ⁽³⁾	8.5 %	5.2 %	9.1 %	10.8 %

- (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. Manufacturing Support includes an immaterial acquisition of an Australian Microbial Solutions business.
- (3) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions and foreign exchange.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS) Guidance for the Twelve Months Ended December 26, 2020E

2020 GUIDANCE	
Revenue growth, reported	13.0% - 14.5%
Less: Contribution from acquisitions (1)	(4.0%) - (4.5%)
Less: Favorable impact of foreign exchange	(1.0%) – (1.5%)
Revenue growth, organic (2)	7.75% - 8.75%
GAAP EPS estimate (3)	\$5.20 - \$5.35
Amortization of intangible assets (4)	1.65 - 1.70
Charges related to global efficiency initiatives (5)	<\$0.05
Acquisition-related adjustments (6)	~\$0.25
Other items (7)	\$0.25 - \$0.32
Non-GAAP EPS estimate	\$7.45 - \$7.60
Free cash flow (8)	\$350 - \$360 million

Footnotes to Guidance Table:

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

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

(3) GAAP EPS guidance does not include an estimate for future gains or losses from venture capital investments. Potential gains or losses are expected in 2020, but the Company does not forecast the future performance of its venture capital investments. Any future gains or losses would be excluded from non-GAAP results.

(4) Amortization of intangible assets includes an estimate of \$0.30-\$0.35 for the impact of the HemaCare acquisition because the preliminary purchase price allocation has not been completed.

(5) These charges, which primarily include severance and other costs, relate primarily to the Company's planned efficiency initiatives. Other projects in support of global productivity and efficiency initiatives are expected, but these charges reflect only the decisions that have already been finalized.

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

(7) These items primarily relate to charges of \$0.15-\$0.22 associated with the planned termination of the Company's U.S. pension plan in the second half of 2020, as well as charges of approximately \$0.10 associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure.

(8) The reconciliation of the current 2020 free cash flow guidance is as follows: Cash flow from operating activities of \$500-\$510 million, less capital expenditures of approximately \$150 million, equates to free cash flow of \$350-\$360 million.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE⁽¹⁾ (in thousands)

	Three Mo	nths End	ed		Twelve Mor	Fiscal Year Ended		
Decem	December 28, 2019		December 29, 2018		ber 28, 2019	Decer	mber 29, 2018	December 26, 2020E
\$	23,678	\$	16,623	\$	59,360	\$	62,960	\$85,500-\$87,500
	(1,605)	\$		\$	(1,605)	\$	(5,060)	\$ —
	22,073		16,623		57,755		57,900	\$85,500-\$87,500
	(5,292)				9,611			Approx. (7,500)
\$	16,781	\$	16,623	\$	67,366	\$	57,900	\$78,000-\$80,000
	S S	December 28, 2019 \$ 23,678 (1,605) 22,073 (5,292) (5,292)	December 28, 2019 Decen \$ 23,678 \$ (1,605) \$ 22,073 (5,292) (5,292) (5,292)	\$ 23,678 \$ 16,623 (1,605) <u>\$</u> 22,073 16,623 (5,292)	December 28, 2019 December 29, 2018 December 39, 2018 \$ 23,678 \$ 16,623 \$ (1,605) \$ \$ 22,073 16,623 (5,292) \$	December 28, 2019 December 29, 2018 December 28, 2019 \$ 23,678 \$ 16,623 \$ 59,360 (1,605) \$ \$ (1,605) 22,073 16,623 57,755 (5,292) 9,611	December 28, 2019 December 29, 2018 December 28, 2019 December 28 \$ 23,678 \$ 16,623 \$ 59,360 \$ (1,605) \$ \$ (1,605) \$ 22,073 16,623 57,755 \$ \$ (5,292) 9,611 \$	December 28, 2019 December 29, 2018 December 28, 2019 December 29, 2018 \$ 23,678 \$ 16,623 \$ 59,360 \$ 62,960 (1,605) \$ — \$ (1,605) \$ (5,060) 22,073 16,623 57,755 57,900 (5,292) — 9,611 —

⁽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⁾ Amounts reported in total adjusted interest expense, net include a \$3.0 million loss on a forward contract and \$1.6 million of additional interest expense for the three months ended December 28, 2019; and an \$18.7 million gain on forward contracts and \$7.4 million of additional interest expense for the twelve months ended December 28, 2019.



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)

	Dee	ember 28,	 ember 29,	De	cember 30,	De	ecember 31,	D	ecember 26,	De	ecember 27,	De	cember 28,	Dec	ember 29,
		2019	2018		2017		2016		2015		2014		2013		2012
<u>DEBT (2):</u>															
Total Debt & Finance Leases	\$	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	\$	712	\$ 3,033	\$	298	\$	3,621	\$	1,370	\$	2,828	\$	9,787	\$	9,680
Total Indebtedness per credit agreement	\$	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		(238,014)	(195,442)		(163,794)		(117,626)		(117,947)		(160,023)		(155,927)		(109,685)
Net Debt	\$	1,650,910	\$ 1,475,605	\$	981,608	\$	1,121,004	\$	746,454	\$	620,668	\$	517,649	\$	566,515

	ember 28, 2019	December 29, 2018		December 30, 2017		December 31, 2016		mber 26, 2015	December 27, 2014		December 28, 2013		December 29, 2012	
ADJUSTED EBITDA (2):														
Net income attributable to common shareholders	\$ 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	(310)	_		_		(685)		(9,878)		(2,048)		_		_
Plus: Interest expense	79,586	65,258		29,777		27,709		15,072		11,950		20,969		33,342
Plus: Provision for income taxes	50,023	54,996		171,369		66,835		43,391		46,685		32,142		24,894
Plus: Depreciation and amortization	198,095	161,779		131,159		126,658		94,881		96,445		96,636		81,275
Plus: Non-cash nonrecurring losses	427	559		17,716		6,792		10,427		1,615		4,202		12,283
Plus: Non-cash stock-based compensation	57,271	47,346		44,003		43,642		40,122		31,035		24,542		21,855
Plus: Permitted acquisition-related costs	34,827	19,181		6,687		22,653		13,451		6,285		1,752		3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions	 12,320	 15,648		690		18,573		9,199		10,787		_		253
Adjusted EBITDA (per the calculation defined in compliance certificates)	\$ 684,259	\$ 591,140	\$	524,756	\$	466,942	\$	365,978	\$	329,452	\$	283,071	\$	274,873
	ember 28, 2019	 mber 29, 2018		mber 30, 2017		nber 31, 016		mber 26, 2015		ember 27, 2014	Dec	ember 28, 2013		mber 29, 2012
LEVERAGE RATIO: Gross leverage ratio per credit agreement (total debt divided by adjusted FBTTDA)	2.76v	2 82-		2.0~		2.7×		2.4×		2.4×		2.4×		2.5%
EBITDA)	2.76x	2.83x		2.2x		2.7x		2.4x		2.4x		2.4x		2.5x

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2.5x

1.9x

2.4x

2.0x

1.9x

1.8x

2.4x

(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. Adjusted EBITDA represents net income, prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), adjusted for interest, taxes, depreciation and amorization, 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.



2.1x

Net leverage ratio (net debt divided by adjusted EBITDA)

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

(in thousands)

	Three Mo	nths Ended	Twelve Months Ended					
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018				
Income from continuing operations before income taxes & noncontrolling interest	105,565	75,048	304,084	281,681				
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				
Write-off of deferred financing costs and fees related to debt refinancing	1,605	-	1,605	5,060				
Venture capital (gains) losses	(14,983)	6,832	(20,707)	(15,928)				
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	131,069	101,668	431,029	364,372				
Provision for income taxes (GAAP)	25,053	14,850	50,023	54,463				
Tax effect from U.S. Tax Reform (5)	-	2,650	-	5,450				
Tax effect from divestiture of CDMO business	-	-	-	1,000				
Non-cash tax benefit related to international financing structure (6)	(581)	-	19,787	-				
Tax effect of the remaining non-GAAP adjustments	6,368	5,344	24,811	17,166				
Provision for income taxes (Non-GAAP)	30,840	22,844	94,621	78,079				
Total rate (GAAP)	23.7%	19.8%	16.5%	19.3%				
Total rate, excluding specified charges (Non-GAAP)	23.5%	22.5%	22.0%	21.4%				

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- (2) This amount 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) 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.
- (5) 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.
- (6) This adjustment relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.



CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF GAAP TO NON-GAAP TAX RATE GUIDANCE $^{(1)}$

	<u>Fiscal Year Ended</u>
	December 26, 2020E
GAAP Tax Rate	23.0%-24.5%
Charges associated with changes to the international financing structure	(~1.0%)
Non-GAAP Tax Rate	22.0%-23.5%

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC. RECONCILIATION OF FREE CASH FLOW (NON-GAAP) $^{(1)}$

(in thousands)

		Three Mo	nths Ende	ed		Twelve Mo	led	Fiscal Year Ended	
	Decemb	er 28, 2019	Decen	nber 29, 2018	Decer	December 28, 2019		nber 29, 2018	December 26, 2020E
Net cash provided by operating activities	\$	180,677	\$	139,973	\$	480,936	\$	441,140	\$500,000-\$510,000
Less: Capital expenditures		(63,839)		(68,676)		(140,514)		(140,054)	(~150,000)
Free cash flow	\$	116,838	\$	71,297	\$	340,422	\$	301,086	\$350,000-\$360,000

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



CRL LISTED NYSE

