Jefferies 2019 London Healthcare Conference

November 21, 2019

Charles River Laboratories

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Safe Harbor Statement

Caution Concerning Forward-Looking Statements. This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “may,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements also include statements regarding risks and uncertainties associated with the unauthorized access into our information systems reported on April 30, 2019, including the timing and effectiveness of adding enforced security features and monitoring procedures, the percentage of clients affected by the unauthorized access, and the potential revenue and financial impact related to the incident; our projected 2019 and other future financial performance whether reported, constant currency, organic, and/or factoring acquisitions including, with respect to Charles River as a whole and/or any of our reporting or operating segments or business units, revenue and revenue growth rates, operating margin, earnings per share, capital expenditures, operating and free cash flow, specified costs (including unallocated corporate expenses), net interest expense, effective tax rate, average diluted share count, global efficiency initiatives, cost increases, the impact of wage adjustments, pricing, foreign exchange rates, leverage ratios, days sales outstanding, and the operating results of our businesses; the expected performance of our venture capital investments; the future demand for drug discovery and development products and services, and our intentions to expand those businesses, including our investments in our portfolio; the impact of our facility realignments; our expectations regarding stock repurchases and debt repayment; the development and performance of our services and products; market and industry conditions including industry consolidation, outsourcing of services and identification of spending trends by our clients and funding available to them; the potential outcome of, and impact to, our business and financial operations due to litigation and legal proceedings and tax law changes; the impact of US tax reform passed in the fourth quarter of 2017; our success in identifying, consummating, and integrating, and the impact of, our acquisitions, on the Company, our service offerings, client perception, strategic relationships, revenue, revenue growth rates, earnings, and synergies; our expectations regarding Citoxlab’s financial performance; our strategic agreements with our clients and opportunities for future similar arrangements; our ability to obtain new clients in targeted market segments and/or to predict which client segments will be future growth drivers; the impact of our investments in specified business lines, products, sites and geographies; and Charles River’s future performance as otherwise delineated in our forward-looking guidance. Forward-looking statements are based on Charles River’s current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to: the ability to successfully integrate businesses we acquire; the ability to execute our cost-savings actions and the steps to optimize returns to shareholders on an effective and timely basis; the timing and magnitude of our share repurchases; negative trends in research and development spending, negative trends in the level of outsourced services, or other cost reduction actions by our clients; the ability to convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in regulations by the FDA, USDA, or other global regulatory agencies; changes in law; changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 13, 2019 and in its Quarterly Report on Form 10-Q as filed on November 6, 2019, 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 Leading, Early-Stage Contract Research Organization

CRL Worked on

85%

of FDA-approved drugs in 2018

Doubled

revenue and non-GAAP EPS since 2014
(2014-2019E)

#1

Market position in RMS, Safety Assessment & Microbial Solutions

>$15B

Outsourced addressable market

High-Single-Digit

CRL organic revenue growth
(2-Yr. Target & 2019 Outlook)

81

Novel molecules originated for clients since 1999

>$2B

Invested in M&A with

~10%

ROIC on M&A since 2015

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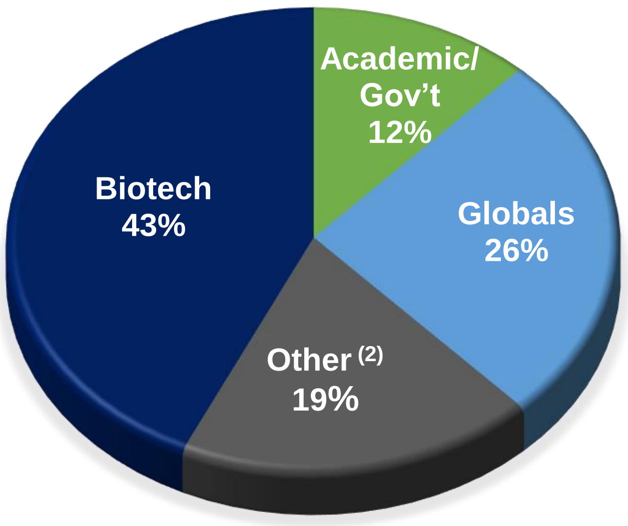
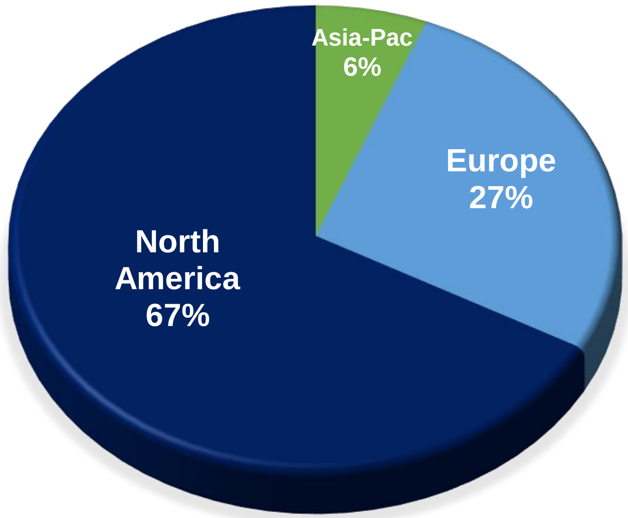
Charles River Overview

- A leading, full-service drug discovery and early-stage development company
  - Revenue of **$2.53B** (LTM Sept. 2019)
- Only CRO with an integrated portfolio that spans the drug research process from target discovery through preclinical development
- No single commercial client accounts for **>2.5%** of total revenue
- A multinational company with **~16,500** employees worldwide
- Facilities strategically located in >20 countries, near our major client base

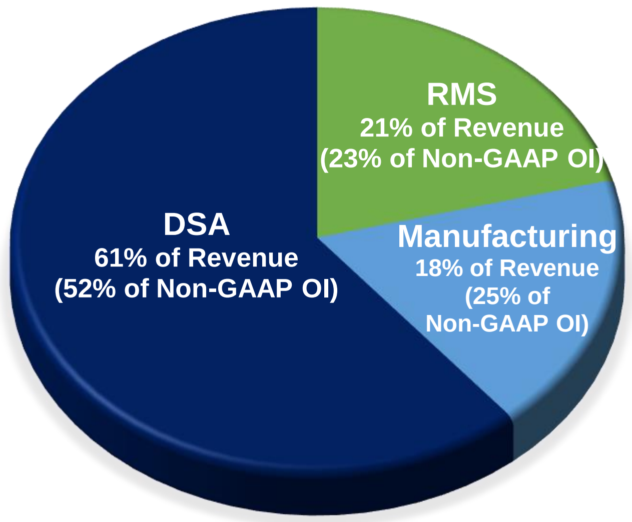
Client Base(1)



Geographic Revenue(1)



Business Segments(1)



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

(1) Based on CRL's LTM September 2019 revenue and non-GAAP operating income. Includes Citoxlab.

(2) Other clients include agricultural & industrial chemical, CRO, animal health, life science, CMO, consumer product, and medical device companies.

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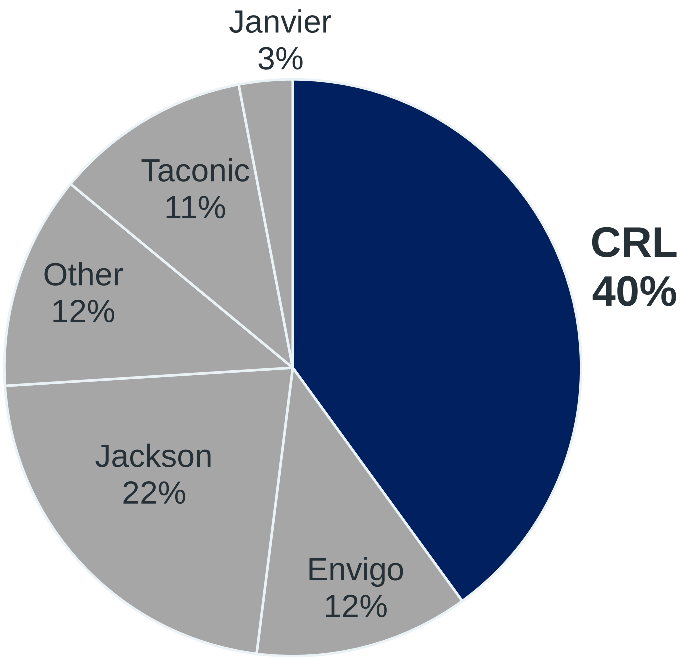
Research Models & Services (RMS)

- Global leader in breeding and distribution of research models
  - Largest selection of the most widely used strains in the world
  - **~1 of every 2 small models** sold in Western markets comes from Charles River
  - Expertise in **biosecurity** ensures animals are free of known contaminants, reducing risk to critical research
- **Global footprint** with facilities strategically located in close **proximity** to clients
- Increasing presence in high-growth **China** market
- Premier provider of services which support the use of research models in discovery/development of new molecules
  - Genetically Engineered Models and Services (**GEMS**)
  - Research Animal Diagnostic Services (**RADS**)
  - Insourcing Solutions (**IS**)
    - IS awarded **five-year, $95.7M contract** by the National Institute of Allergy and Infectious Diseases (**NIAID**) in September 2018

RMS Market Share
(Excluding IS)



Source: CRL management estimates.

RMS Market Opportunity: ~$1.5B
(Including IS)

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RMS Business Drivers

Research Models and Services (RMS):
21% of Revenue (1)
23% of Non-GAAP Operating Income (1)

- Increased demand in **China** for models and services
  - RMS China slightly less than 10% of RMS revenue
- Demand for **RM Services** to support use of models in research
- **DSA** segment is **RMS's largest client** by a wide margin
  - ~5% of global RM unit volume
- **Price** and **mix** offsetting lower demand for research models in mature markets outside of China
- Use of **technology** to drive **efficiency**

(1) Based on CRL's LTM September 2019 results. See ir.criver.com for reconciliations of GAAP to Non-GAAP results.

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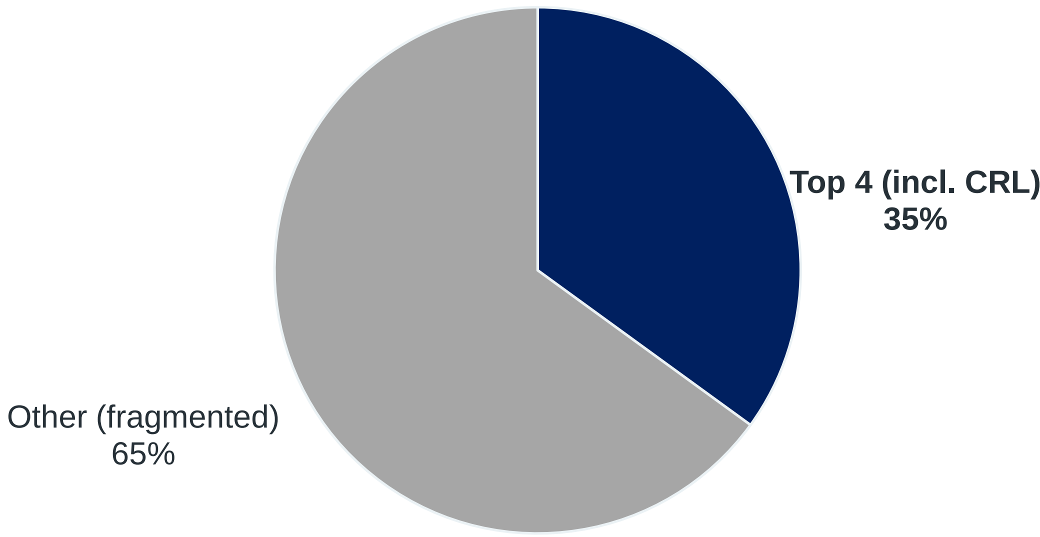
Discovery Services

- A **unique CRO**, offering clients a single source for services across the discovery spectrum
  - Engages with clients earlier in the discovery process
- Integrates **chemistry, *in vitro,* and *in vivo*** capabilities
  - Extensive **medicinal chemistry** and **structural biology** expertise
  - Comprehensive **tumor** and **HTS** (high-throughput screening) libraries
  - **Pharmacology** models for all disease areas
  - Expertise centered around all major therapeutic areas, including **oncology** and **CNS**
- Early Discovery has discovered **81 novel molecules** for clients since its founding in 1999
- Continuing to expand discovery capabilities through M&A, partnerships, and internal investment
  - Exclusive partnership with **Distributed Bio** to enhance large molecule discovery capabilities
  - Expanded services at our **South San Francisco biohub site** to better support West Coast clients

Outsourced Global Discovery Services Market



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

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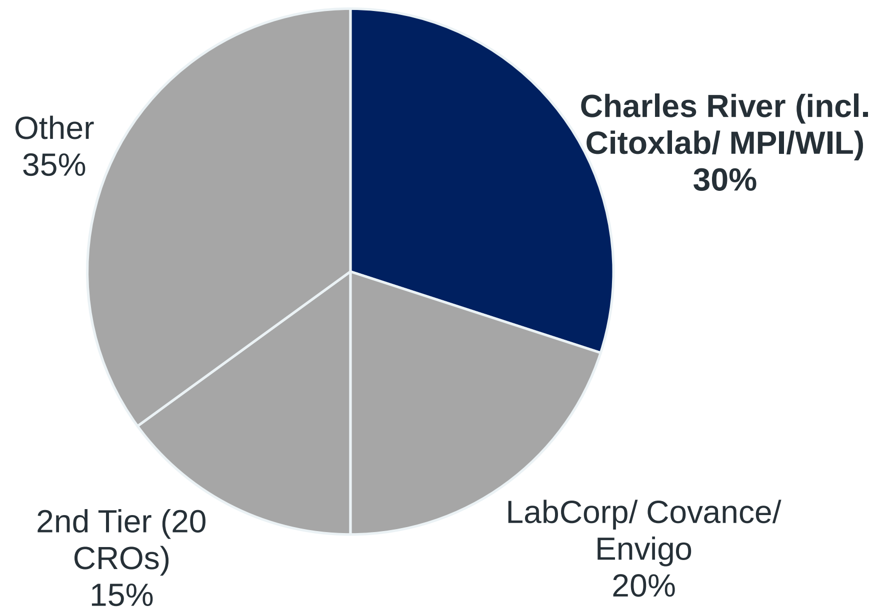
Safety Assessment Services

- **Global leader** in both non-regulated (non-GLP) and regulated (GLP) safety assessment services
- Providing clients with expertise for **integrated drug development**
  - **Non-GLP** efficacy studies
  - **Safety Assessment (SA)**
    - **General** toxicology
    - **Specialty** toxicology
      - Inhalation, infusion, developmental and reproductive, juvenile/ neonatal, ocular, bone, immunotoxicology, and phototoxicology
  - Comprehensive suite of **bioanalytical services**
  - Expert **pathology** services
- **Citoxlab** acquisition further enhanced CRL's leading market position

Outsourced Safety Assessment Market



~$4.5B Outsourced Market
Mid- to High-Single-Digit Growth
55%+ Outsourcing Penetration

<u>Sources:</u> Wall Street research, L.EK. Consulting, and CRL management estimates.

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DSA Business Drivers

Discovery and Safety Assessment (DSA):
61% of Revenue (1)
52% of Non-GAAP Operating Income (1)

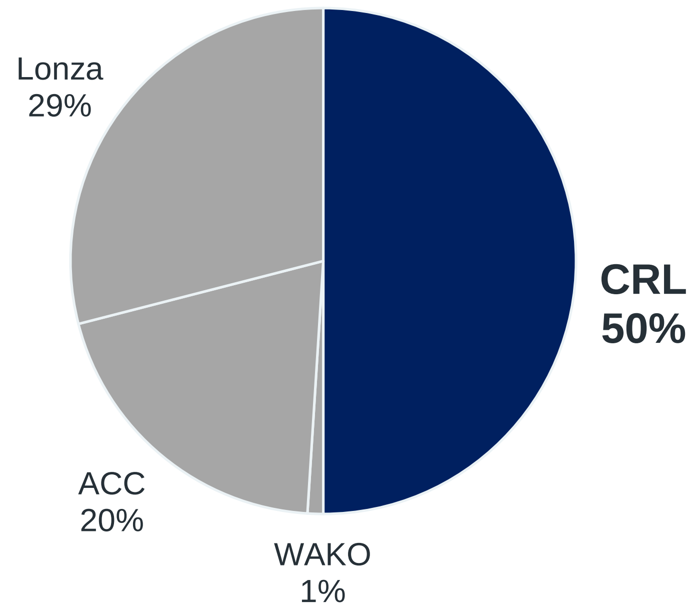
- Robust demand as biopharma clients **augment discovery and safety assessment capabilities**
  - Biotech leveraging CRO expertise to drive **innovation**, instead of building in-house capabilities
  - Large biopharma utilizing CROs like CRL, in place of maintaining internal resources
- CRL **expanding therapeutic area focus** around significant areas of research investment
- Importance of **global network** for clients working in multiple regions
- **~20%** of DSA clients utilize both Discovery & SA capabilities with **significant opportunity** to increase client overlap

(1) Based on CRL's LTM September 2019 results. See ir.criver.com for reconciliations of GAAP to Non-GAAP results.

Microbial Solutions

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

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



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Biologics Testing Solutions

- Premier global CRO providing services that support the manufacture of **biologics and biosimilars**, including process development and quality control
- Supports developers and manufacturers with their testing, characterization, and cell bank manufacturing needs
  - Providing **testing and assay development** throughout drug development, clinical and commercial manufacturing, and for final commercial drug product release
- Leveraging our scientific expertise, regulatory compliance, and extensive portfolio to provide **fast, reliable results**
- Outsourced addressable market estimated at **$1.4-$1.7B**
  - Biologics market is growing in the **low-double digits**

Biologics Market Opportunity

(# Biologics Pipeline Projects, Preclinical-Phase III)

	# Biologics Projects in '19	2015-19E CAGR%
Cell/Gene Therapy Emerging R&D trend; Robust growth	~2,000	21%
Innovator mAbs Strong but slowing growth	>3,000	8%
Biosimilars Smaller opportunity; Strong growth	~300	6%

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

Manufacturing Support Business Drivers

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

- **Microbial Solutions**
  - Increased demand for **rapid testing** for both microbial detection and identification
  - Continuing to drive growth in both sterile biopharma market and non-sterile markets
- **Biologics**
  - Increased number of **biologics** in development
    - Rapid growth of **cell and gene therapies**
  - Increased demand for outsourced services
- **Avian:** Stable demand for **SPF eggs**

(1) Based on CRL's LTM September 2019 results. See ir.criver.com for reconciliations of GAAP to Non-GAAP results.

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Biotech Innovation Driving Robust Funding Environment

- Multiple sources of biotech funding provide balanced access to capital
  - Biotechs estimated to have **at least 3 years**(1) **of cash** on hand today due to broad-based investment in the sector
- Biotech continues to benefit from a **robust funding** environment from **capital markets/IPOs** and **VCs**
  - YTD 2019 biotech funding remained on pace with record levels achieved over the last 4 years
- Biotech industry has become the **innovation engine** for large biopharma
  - Large biopharma partnering has funded many of the virtual, small, and mid-size biotech companies

Biotech Funding (Capital Markets/VCs)

~$25B	~$80B
2005-09 (avg.)	2014-18 (avg.)

~$60B
YTD Sept. 2019 Actual

Source: Wall Street research, BioWorld.

Companies with Active Biopharma R&D Pipelines

~2,000	~4,300
2008	2019

Source: PharmaProjects/PAREXEL R&D Sourcebook.

Biotechs have limited to no internal infrastructure; Rely on outsourcing to early-stage CROs like CRL as flexible and efficient R&D partners

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

Biopharma R&D Fundamentals Remain Strong

- Biopharma R&D investments continue to **deliver innovative new therapies**
  - FDA drug approvals and preclinical pipelines have significantly increased
    - Driven by oncology research, rare/orphan disease, and cell & gene therapies
- Large **biopharma** has **increasingly externalized R&D** for efficiency, productivity, and speed to market
- Large biopharma **focusing less** on **who discovers the molecule** and more on whether the molecule addresses a significant medical need
  - Sourcing molecules from biotech, academia/NGOs, and early discovery CROs
  - More than half of all large biopharma pipelines are externally sourced

Average FDA Drug Approvals Per Year

22	40	35
2005-09 (avg.)	2014-18 (avg.)	YTD Nov. 2019

Source: FDA.gov, industry reports.

Preclinical Compounds in the Pipeline

~5,000	~8,500
2009	2019

Source: Citeline/PharmaProjects.

Large biopharma continues to reduce internal capabilities and increase reliance on outsourcing to CROs like CRL

Our Guiding Principles

- **Extensive Scientific Expertise:** Experience with thousands of molecules across every therapeutic and disease area
  - **Nearly 2,000** scientists with advanced degrees (D.V.M., Ph.D., D.A.B.T.)
- **Our People:** Strategic hiring and building broad bench strength
  - Dedicated to flawless execution with culture of commitment and employee engagement
- **Superior Client Service:** A **seamless, customized experience** will be critical to ensuring that every client feels like our only client
  - Promote **strategic relationships** and partnering across our broad portfolio to support clients' critical go/no-go decisions
- **Broad Portfolio:** Adding new products and services and acquiring assets to enhance our ability to support clients' drug research efforts
  - No direct competitor has an early-stage portfolio as expansive
- **Building Shareholder Value:** Goal to nearly **double** revenue and earnings per share over next five years

Enhance our position as the leading full service, early-stage CRO with integrated drug discovery and early development capabilities

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2019 Performance: YTD19 & FY Guidance

From Continuing Operations ($ in millions, except per share data)	YTD Sept. 19	YTD Sept. 18	%Δ	Organic CC %Δ
RMS	$405.8	$391.2	3.7%	6.0%
DSA	$1,179.8	$958.7	23.1%	9.1%
Manufacturing	$344.5	$314.7	9.5%	12.4%
Revenue	$1,930.1	$1,664.6	16.0%	9.0%
GAAP OM%	12.6%	13.8%	(120) bps	
Non-GAAP OM%	18.1%	18.2%	(10) bps	
GAAP EPS	$3.46	$3.36	3.0%	
Non-GAAP EPS	$4.72	$4.19	12.6%	
Free Cash Flow	$223.6	$229.8	(2.7)%	

FY 2019 Guidance

Reported Revenue Growth	**15.0%-15.5%**
Organic Revenue Growth	**8.25%-8.75%**
GAAP EPS	**$4.65-$4.75**
Non-GAAP EPS	**$6.50-$6.60** *12%-14% growth*
Free Cash Flow	**$310-$320M**

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

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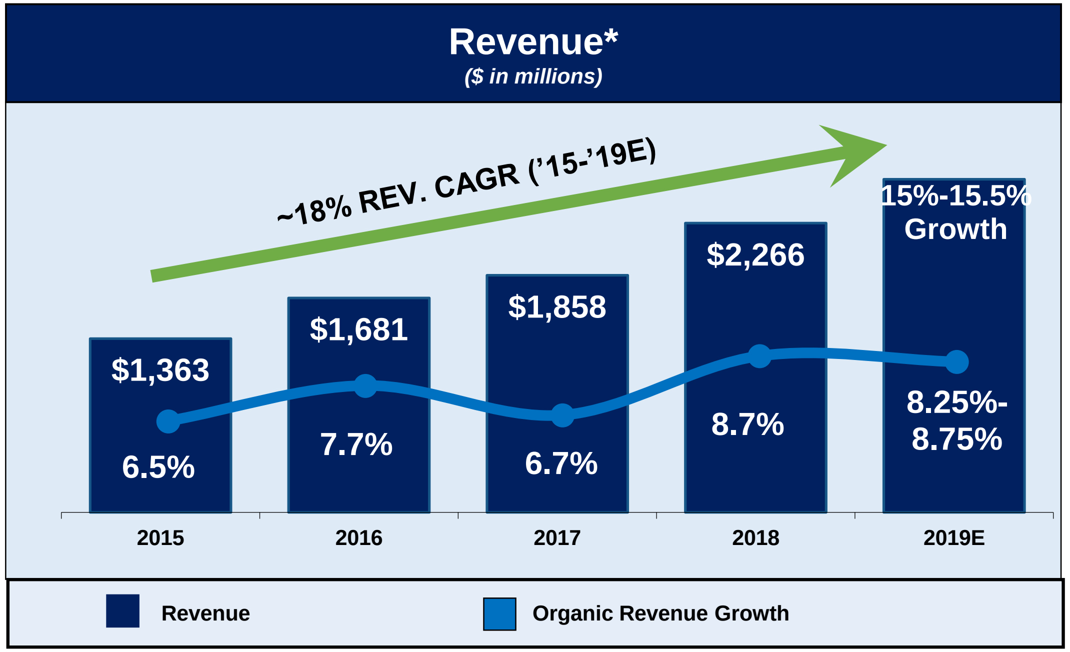
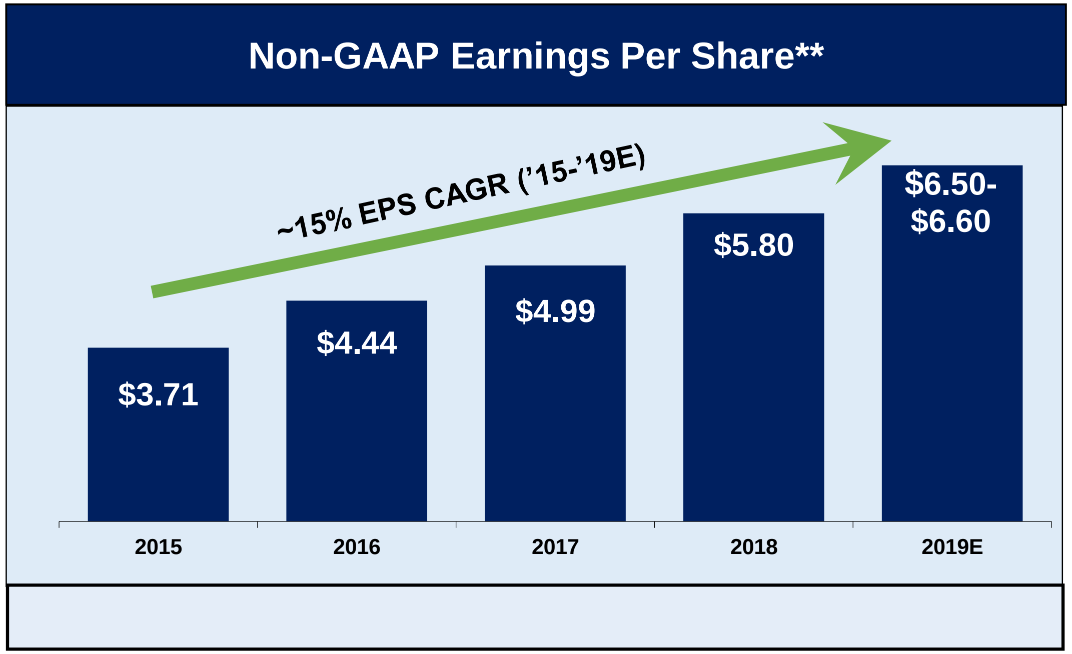
Strategic Plan Targets

- Targeting long-term revenue and EPS growth of:
  - **High-single-digit** organic revenue growth
    - Organic revenue growth expected to average ~**7.5%** from 2015-2019E
  - **At least low-double-digit** non-GAAP EPS growth
    - Non-GAAP EPS from 2015-2019E expected to **increase by ~15%** (CAGR)



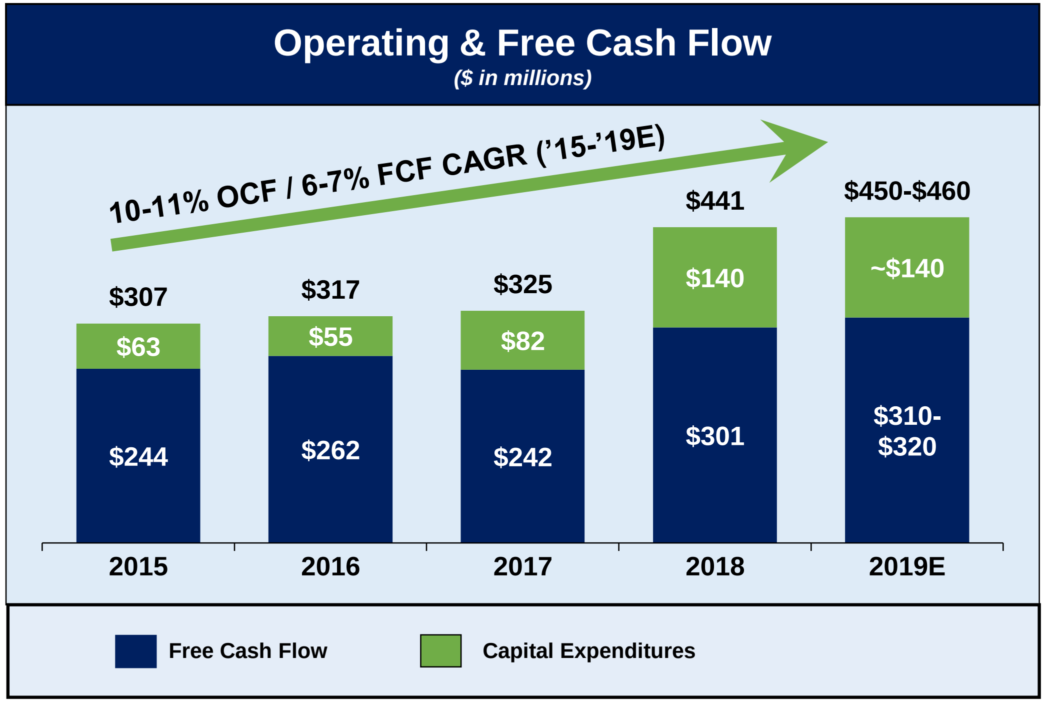


See ir.criver.com/Financial Information for reconciliations of Non-GAAP to GAAP results.

- **** Reported Revenue Growth (GAAP): 2015: 5.1%; 2016: 23.3%; 2017: 10.5%; 2018: 22.0%; 2019E: 15.0%-15.5%***
- ***** GAAP EPS: 2015: $3.15; 2016: $3.22; 2017: $2.54; 2018: $4.59; 2019E: $4.65-$4.75***

Strong Cash Flow Generation

- **Operating cash flow growth expected to be >10%** from 2015-2019E
  - Reflects strong underlying cash flow generation of our businesses
- Long-term revenue growth and operating margin expansion expected to continue to drive strong cash flow generation
- **Capital expenditures** have increased in recent years, which has restricted free cash flow growth
  - Disciplined, growth-related investments required to accommodate robust client demand
  - Capital requirements of recent acquisitions
- Going forward, expect capex to remain between **5%-7% of total revenue**



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

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Optimizing Our Capital Structure

- **Refinanced** debt structure
  - Issued fixed-rate debt to capitalize on favorable interest rate environment and optimize debt structure to support future M&A
    - October 2019: $500M, 4.25% senior unsecured notes due in May 2028
    - April 2018: $500M, 5.5% senior unsecured notes due in April 2026
  - Additional capacity under credit facility
    - Senior secured revolving credit facility of $2.05B ($1.24B available as of 11/4/19)
      - Increased by $500M in November 2019
    - Senior secured term loan A of $750M ($203M outstanding as of 11/4/19)

CRL Capitalization ($ in MM)	**10/26/19**
5.5% Senior notes due 2026	$500
4.25% Senior notes due 2028	$500
Term loan	203
Revolving credit facility	801
Finance leases & other	26
Total debt *(short & long-term)*	**$2,030**
Additional borrowing capacity	$1,240

Optimizing our capital structure enables greater access to additional borrowing capacity to support strategic initiatives, including M&A strategy

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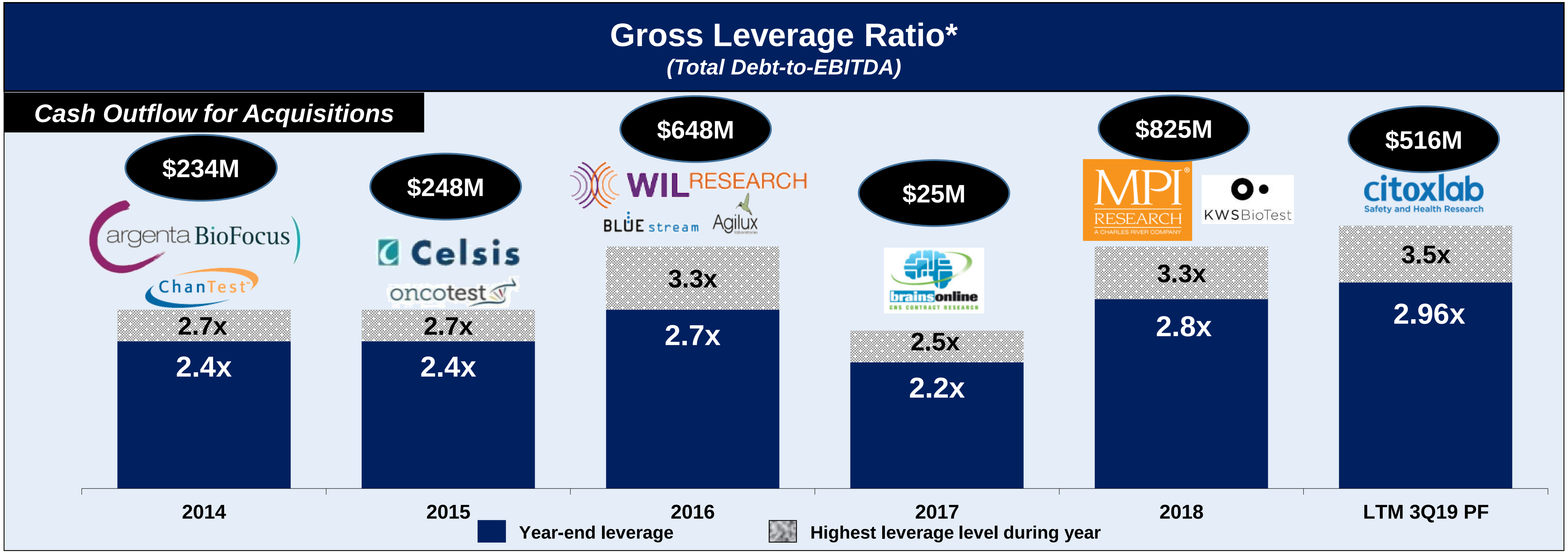
Track Record of Debt Repayment

- Targeted leverage ratio (gross) **below 3x**
  - Increase debt level above 3x for certain strategic opportunities, primarily M&A
- Capital priorities in 2019 and beyond continue to be focused on **strategic M&A**
  - Absent any acquisitions, goal will be to maintain the gross leverage ratio below 3x



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

* Leverage ratio calculated pursuant to the covenants of our credit agreement. Solid blue bars represent year-end leverage ratio
Shaded areas represent highest leverage ratio for the year, including pro forma leverage ratio immediately following an acquisition.

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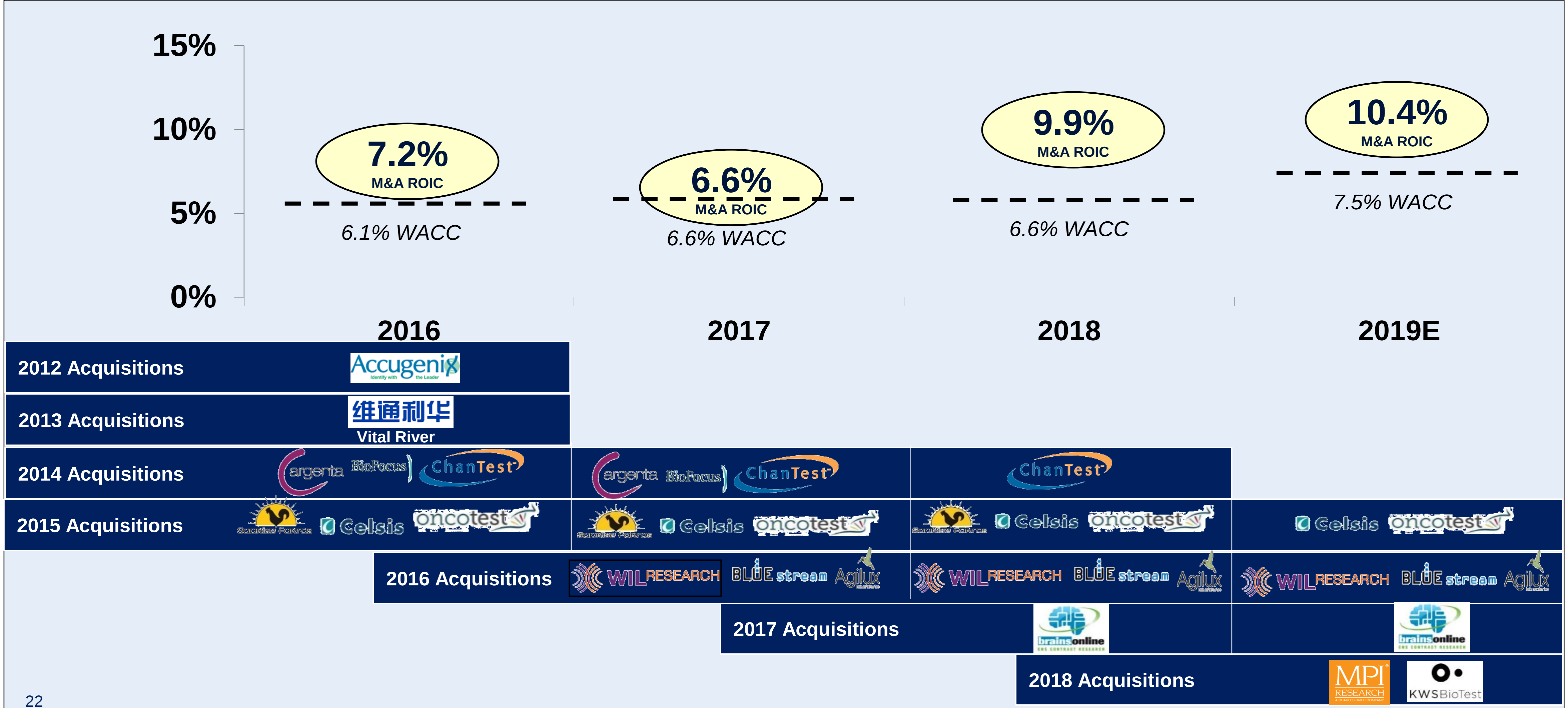
Strategic M&A Remains Top Priority

- **Disciplined M&A** remains top priority of our long-term strategy
  - Measure all M&A against investment criteria of:
    - Neutral to accretive on a non-GAAP basis in Year 1
    - ROIC meets or exceeds cost of capital by Year 3 or Year 4
- Invested **>$2B** in 13 strategic acquisitions since 2015
  - **~One-third** of 2019E revenue expected to be generated from these acquisitions
  - M&A strategy has met or exceeded our investment criteria/hurdle rates
- Long-term strategic plan assumes reinvestment of significant portion of free cash flow in M&A activities
  - Supplements organic growth
  - **Enhances shareholder value**

Achieving Expected Returns on M&A Investments

Historical M&A Performance for Return on Invested Capital (ROIC) by Year

(Acquisitions from the preceding 4 years that were not acquired within the current year)



Strategic Plan Targets: 2-Year Goals

	2-Year Targets	
	Organic Revenue Growth	**Non-GAAP Operating Margin**
RMS	Low- to mid-single digits	Above 25%
DSA	High-single digits	Mid-20% range
Manufacturing	Low-double digits	Mid-30% range
Consolidated	High-single digits	20%
Consolidated with acquisitions	At least low-double digits	20%

Goal to achieve 20% operating margin in FY 2021

Financial Target Summary

	2-Year Target (Non-GAAP)	5-Year Average or CAGR (2015-2019E)
Revenue growth	High-single-digit organic growth At least low-double-digit reported growth	~7.5% organic growth (average) ~18% reported growth CAGR
EPS growth	At least low-double-digit growth	~15% CAGR ~2x organic revenue growth
Operating margin	20% in FY 2021	~19% (average)
Unallocated corporate	~5% of total revenue	6.8% of revenue (average)
Leverage ratio (gross)	Below 3x after acquisitions	Below 3x at year-end in each of the last 5 years
Tax rate	Low- to mid-20% range	~25.5% (average)
Capital expenditures	5%-7% of revenue	~5% of revenue (average)
ROIC from M&A	ROIC meets or exceeds WACC in Year 3 or 4	10.4% in 2019E for acquisitions since 2H15 vs. 7.5% WACC

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

Strategic Imperatives

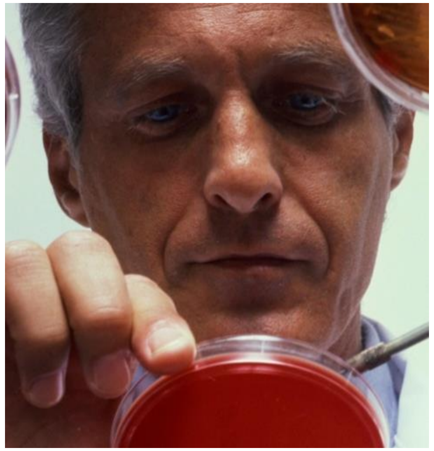
Strengthen portfolio by enhancing scientific expertise and adding innovative capabilities

Drive productivity and efficiency gains

Enhance speed and responsive to provide clients with fast, reliable solutions

Focus on strategic, profitable growth

Disciplined capital deployment with a focus on M&A



Maintain and enhance our early-stage market leadership and achieve our long-term financial goals

Regulation G
Financial Reconciliations

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

Revenue	RMS	DSA	Manufacturing		Total CRL
Fiscal Year Ended December 29, 2018	$519,682	$1,316,854	$429,560		$2,266,096
Nine Months Ended September 28, 2019	405,772	1,179,793	344,523		1,930,088
Less: Nine Months Ended September 29, 2018	(391,195)	(958,665)	(314,706)		(1,664,566)
Last Twelve Months (LTM) Ended September 28, 2019	**$534,259**	**$1,537,982**	**$459,377**		**$2,531,618**
Segment % of Total	*21%*	*61%*	*18%*		*100%*

Non-GAAP Operating Income (2)	RMS	DSA	Manufacturing	Unallocated Corp.	Total CRL
Fiscal Year Ended December 29, 2018	$140,013	$285,464	$146,745	($147,280)	$424,942
Nine Months Ended September 28, 2019	108,335	244,123	112,947	(115,878)	349,527
Less: Nine Months Ended September 29, 2018	(107,725)	(202,509)	(103,749)	111,311	(302,672)
Last Twelve Months (LTM) Ended September 28, 2019	**$140,623**	**$327,078**	**$155,943**	**($151,847)**	**$471,797**
Total LTM 2019 Non-GAAP OI excluding Unallocated Corp.					*$623,644*
Segment % of Total excluding Unallocated Corp.	*23%*	*52%*	*25%*		*100%*

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

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

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

	Three Months Ended		Nine Months Ended	
	September 28, 2019	September 29, 2018	September 28, 2019	September 29, 2018
Research Models and Services				
Revenue	$ 132,546	$ 126,811	$ 405,772	$ 391,195
Operating income	34,385	32,121	103,729	104,893
Operating income as a % of revenue	25.9 %	25.3 %	25.6 %	26.8 %
Add back:				
Amortization related to acquisitions	341	385	1,042	1,202
Severance	381	65	1,106	808
Acquisition related adjustments (2)	—	—	2,201	—
Site consolidation costs, impairments and other items	—	238	257	822
Total non-GAAP adjustments to operating income	$ 722	$ 688	$ 4,606	$ 2,832
Operating income, excluding non-GAAP adjustments	$ 35,107	$ 32,809	$ 108,335	$ 107,725
Non-GAAP operating income as a % of revenue	26.5 %	25.9 %	26.7 %	27.5 %
Depreciation and amortization	$ 4,895	$ 4,811	$ 14,198	$ 14,565
Capital expenditures	$ 5,818	$ 8,166	$ 14,979	$ 18,105
Discovery and Safety Assessment				
Revenue	$ 420,079	$ 352,257	$ 1,179,793	$ 958,665
Operating income	64,995	62,909	175,214	160,391
Operating income as a % of revenue	15.5 %	17.9 %	14.9 %	16.7 %
Add back:				
Amortization related to acquisitions	21,560	16,204	58,067	39,796
Severance	1,848	30	2,533	973
Acquisition related adjustments (3)	4,524	269	8,516	1,466
Site consolidation costs, impairments and other items	(207)	26	(207)	(117)
Total non-GAAP adjustments to operating income	$ 27,725	$ 16,529	$ 68,909	$ 42,118
Operating income, excluding non-GAAP adjustments	$ 92,720	$ 79,438	$ 244,123	$ 202,509
Non-GAAP operating income as a % of revenue	22.1 %	22.6 %	20.7 %	21.1 %
Depreciation and amortization	$ 39,898	$ 31,433	$ 111,231	$ 83,262
Capital expenditures	$ 21,141	$ 10,800	$ 45,130	$ 34,496
Manufacturing Support				
Revenue	$ 115,326	$ 106,227	$ 344,523	$ 314,706
Operating income	39,253	33,266	103,893	95,904
Operating income as a % of revenue	34.0 %	31.3 %	30.2 %	30.5 %
Add back:				
Amortization related to acquisitions	2,204	2,217	6,802	6,816
Severance	248	—	549	870
Acquisition related adjustments (3)	62	(15)	218	—
Site consolidation costs, impairments and other items	180	—	1,485	159
Total non-GAAP adjustments to operating income	$ 2,694	$ 2,202	$ 9,054	$ 7,845
Operating income, excluding non-GAAP adjustments	$ 41,947	$ 35,468	$ 112,947	$ 103,749
Non-GAAP operating income as a % of revenue	36.4 %	33.4 %	32.8 %	33.0 %
Depreciation and amortization	$ 5,990	$ 5,709	$ 17,577	$ 17,313
Capital expenditures	$ 6,421	$ 2,709	$ 14,299	$ 12,731

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		Nine Months Ended	
	September 28, 2019	September 29, 2018	September 28, 2019	September 29, 2018
CONTINUED FROM PREVIOUS SLIDE				
Unallocated Corporate Overhead	$ (45,831)	$ (43,934)	$ (140,474)	$ (132,287)
Add back:				
Severance	—	4,619	—	5,278
Acquisition related adjustments [3]	5,296	1,801	23,188	15,698
Other items [4]	$ 379	$ —	$ 1,408	$ —
Total non-GAAP adjustments to operating expense	$ 5,675	$ 6,420	$ 24,596	$ 20,976
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (40,156)	$ (37,514)	$ (115,878)	$ (111,311)
Total				
Revenue	$ 667,951	$ 585,295	$ 1,930,088	$ 1,664,566
Operating income	$ 92,802	$ 84,362	$ 242,362	$ 228,901
Operating income as a % of revenue	13.9 %	14.4 %	12.6 %	13.8 %
Add back:				
Amortization related to acquisitions	24,105	18,806	65,911	47,814
Severance and executive transition costs	2,477	4,714	4,188	7,929
Acquisition related adjustments [2][3]	9,882	2,055	34,123	17,164
Site consolidation costs, impairments and other items [4]	352	264	2,943	864
Total non-GAAP adjustments to operating income	$ 36,816	$ 25,839	$ 107,165	$ 73,771
Operating income, excluding non-GAAP adjustments	$ 129,618	$ 110,201	$ 349,527	$ 302,672
Non-GAAP operating income as a % of revenue	19.4 %	18.8 %	18.1 %	18.2 %
Depreciation and amortization	$ 51,758	$ 43,592	$ 146,262	$ 120,198
Capital expenditures	$ 35,163	$ 22,439	$ 76,675	$ 71,378

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

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

(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.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

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

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 28, 2019	September 29, 2018	September 28, 2019	September 29, 2018
Net income attributable to common shareholders	$ 72,810	$ 60,368	$ 171,671	$ 166,708
Less: Income from discontinued operations, net of income taxes	—	—	—	1,506
Net income from continuing operations attributable to common shareholders	72,810	60,368	171,671	165,202
Add back:				
Non-GAAP adjustments to operating income (Refer to Schedule 4)	36,816	25,839	107,165	73,771
Write-off of deferred financing costs and fees related to debt refinancing	—	—	—	5,060
Venture capital (gains) losses	598	(5,376)	(5,724)	(22,760)
Tax effect of non-GAAP adjustments:				
Tax effect from U.S. Tax Reform [2]	—	(2,800)	—	(2,800)
Tax effect from divestiture of CDMO business	—	(1,000)	—	(1,000)
Non-cash tax benefit related to international financing structure [3]	(20,368)	—	(20,368)	—
Tax effect of the remaining non-GAAP adjustments	(6,073)	(5,476)	(18,443)	(11,822)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 83,783	$ 71,555	$ 234,301	$ 205,651
Weighted average shares outstanding - Basic	48,818	48,310	48,682	48,098
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units and restricted stock	897	1,016	945	1,020
Weighted average shares outstanding - Diluted	49,715	49,326	49,627	49,118
Earnings per share from continuing operations attributable to common shareholders				
Basic	$ 1.49	$ 1.25	$ 3.53	$ 3.43
Diluted	$ 1.46	$ 1.22	$ 3.46	$ 3.36
Basic, excluding non-GAAP adjustments	$ 1.72	$ 1.48	$ 4.81	$ 4.28
Diluted, excluding non-GAAP adjustments	$ 1.69	$ 1.45	$ 4.72	$ 4.19

(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)

Three Months Ended September 28, 2019	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	14.1 %	4.5 %	19.3 %	8.6 %
Decrease (increase) due to foreign exchange	1.3 %	1.3 %	1.1 %	2.2 %
Contribution from acquisitions (2)	(7.5)%	—%	(12.5)%	(0.2)%
Non-GAAP revenue growth, organic (3)	**7.9 %**	**5.8 %**	**7.9 %**	**10.6 %**

Nine Months Ended September 28, 2019	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	16.0 %	3.7 %	23.1 %	9.5 %
Decrease (increase) due to foreign exchange	1.9 %	2.3 %	1.4 %	3.1 %
Contribution from acquisitions (2)	(8.9)%	—%	(15.4)%	(0.2)%
Non-GAAP revenue growth, organic (3)	**9.0 %**	**6.0 %**	**9.1 %**	**12.4 %**

(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.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 28, 2019E

2019 GUIDANCE	CURRENT
Revenue growth, reported	15.0% - 15.5%
Less: Contribution from acquisitions (1)	8.5% - 9.0%
Add: Negative impact of foreign exchange	1.5% - 2.0%
Revenue growth, organic (2)	8.25% - 8.75%
GAAP EPS estimate	$4.65-$4.75
Amortization of intangible assets (3)	~$1.35
Charges related to global efficiency initiatives (4)	$0.20-$0.25
Acquisition-related adjustments (5)	$0.72-$0.75
Other items (6)	~$0.05
Venture capital investment (gains)/losses (7)	(~$0.08)
Discrete tax benefit (8)	($0.41)
Non-GAAP EPS estimate	$6.50 - $6.60
Free cash flow (9)	$310 - $320 million

Footnotes to Guidance Table:

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

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

(3) Amortization of intangible assets includes an estimate of approximately $0.20 for the impact of the Citoxlab acquisition based on the preliminary purchase price allocation.

(4) 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.

(5) 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. In addition, these adjustments include a charge associated with modification of a purchase option for the remaining 8% equity interest in Vital River. These costs are partially offset by the net impact of discrete tax benefit items.

(6) Other items include 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. In addition, other items include the write-off of deferred financing costs and fees related to debt financing.

(7) Venture capital investment performance only includes recognized gains or losses. The Company does not forecast future venture capital investment gains or losses.

(8) This item includes a non-cash, discrete tax benefit related to the Company's international financing structure. The Company recorded a $20.4 million deferred tax asset relating to foreign indefinite-lived tax loss carryforwards, which it now expects to utilize in the future.

(9) The reconciliation of the current 2019 free cash flow guidance is as follows: Cash flow from operating activities of $450-$460 million, less capital expenditures of approximately $140 million, equates to free cash flow of $310-$320 million.

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

	Three Months Ended		Nine Months Ended		Fiscal Year Ended
	September 28, 2019	September 29, 2018	September 28, 2019	September 29, 2018	December 28, 2019E
Net cash provided by operating activities	$ 155,847	$ 117,244	$ 300,259	$ 301,167	$450,000-$460,000
Less: Capital expenditures	(35,163)	(22,439)	(76,675)	(71,378)	(~140,000)
Free cash flow	$ 120,684	$ 94,805	$ 223,584	$ 229,789	$310,000-$320,000

(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.

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

	Twelve Months Ended			
	December 29, 2018	**December 30, 2017**	**December 31, 2016**	**December 26, 2015**
Revenue growth, reported	22.0%	10.5%	23.3%	5.1%
Impact of foreign exchange	(1.3%)	—	1.5%	5.3%
Impact of acquisitions (2)	(12.1%)	(6.0%)	(15.8%)	(4.0%)
Impact of CDMO divestiture (3)	0.1%	0.8%	—	—
Impact of 53rd week	—	1.4%	(1.3%)	—
Non-GAAP revenue growth, organic	**8.7%**	**6.7%**	**7.7%**	**6.5%**

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

(2) The contribution from acquisitions reflects only completed acquisitions. 2018 revenue includes an immaterial acquisition of an Australian Microbial Solutions business.

(3) The CDMO business, which was acquired as part of WIL Research on April 4, 2016, was divested on February 10, 2017. This adjustment represents the revenue from the CDMO business for all applicable periods.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP OPERATING INCOME (1)

(dollars in thousands)

	Twelve Months Ended			
	December 29, 2018	December 30, 2017 (2)	December 31, 2016 (2)	December 26, 2015 (2)
Revenue	$ 2,266,096	$ 1,857,601	$ 1,681,432	$ 1,363,302
Operating income	331,383	288,282	237,552	205,090
Operating income as a % of revenue	14.6 %	15.5 %	14.1 %	15.0 %
Add back:				
Amortization related to acquisitions	64,831	41,370	42,746	29,374
Severance and executive transition costs	8,680	3,278	8,472	6,173
Acquisition-related adjustments (3)	19,184	6,687	21,887	14,513
Government billing adjustment and related expenses	—	150	634	477
Operating losses (4)	—	—	—	5,517
Site consolidation costs, impairments and other items	864	18,645	11,849	2,240
Total non-GAAP adjustments to operating income	$ 93,559	$ 70,130	$ 85,588	$ 58,294
Operating income, excluding non-GAAP adjustments	$ 424,942	$ 358,412	$ 323,140	$ 263,384
Non-GAAP operating income as a % of revenue	18.8 %	19.3 %	19.2 %	19.3 %

(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) Prior-year operating income and operating income margin amounts have been recast to reflect the retrospective adoption of a new accounting standard in 1Q18 (ASU 2017-07).

(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 item includes operating losses related primarily to the Company's DSA facility in Massachusetts.

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 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015
Net income attributable to common shareholders	$ 226,373	$ 123,355	$ 154,765	$ 149,313
Less: Income (loss) from discontinued operations, net of income taxes	1,506	(137)	280	(950)
Net income from continuing operations attributable to common shareholders	224,867	123,492	154,485	150,263
Add back:				
Amortization related to acquisitions	64,831	41,370	42,746	29,374
Severance and executive transition costs	8,680	3,278	8,472	6,173
Operating losses (2)	—	—	—	5,517
Acquisition-related adjustments (3)	19,184	6,687	22,702	14,513
Government billing adjustment and related expenses	—	150	634	477
Site consolidation costs, impairments and other items	864	18,645	11,849	2,240
Gain on divestiture of CDMO business	—	(10,577)	—	—
Write-off of deferred financing costs and fees related to debt financing	5,060	—	987	721
Reversal of an indemnification asset associated with acquisition and corresponding interest (4)	—	—	54	10,411
Gain on bargain purchase (5)	—	(277)	15	(9,837)
Debt forgiveness associated with a prior acquisition (6)	—	(1,863)	—	—
Venture capital gains	(15,928)	(22,657)	(10,285)	(3,824)
Tax effect of non-GAAP adjustments:				
Tax effect from U.S. Tax Reform (7)	(5,450)	78,537	—	—
Tax effect from divestiture of CDMO business	(1,000)	17,705	—	—
Reversal of uncertain tax position associated with acquisition and corresponding interest (4)	—	—	—	(10,411)
Tax effect of the remaining non-GAAP adjustments	(17,166)	(12,286)	(18,744)	(18,672)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	$ 283,942	$ 242,204	$ 212,915	$ 176,945
Weighted average shares outstanding - Basic	47,947	47,481	47,014	46,496
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units, and contingently issued restricted stock	1,071	1,083	944	1,138
Weighted average shares outstanding - Diluted	49,018	48,564	47,958	47,634
Earnings per share from continuing operations attributable to common shareholders				
Basic	$ 4.69	$ 2.60	$ 3.28	$ 3.23
Diluted	$ 4.59	$ 2.54	$ 3.22	$ 3.15
Basic, excluding non-GAAP adjustments	$ 5.92	$ 5.10	$ 4.53	$ 3.81
Diluted, excluding non-GAAP adjustments	$ 5.80	$ 4.99	$ 4.44	$ 3.71

(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 item includes operating losses related primarily to the Company's DSA facility in Massachusetts.

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

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

(5) These amounts relate to the acquisition of Sunrise Farms, Inc. and represents the excess of the estimated fair value of the net assets acquired over the purchase price.

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

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

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

	Twelve Months Ended			
	December 29, 2018	December 30, 2017	December 31, 2016 (3)	December 26, 2015 (3)
Net cash provided by operating activities	$ 441,140	$ 318,074	$ 316,899	$ 306,833
Add back: Tax impact of CDMO divestiture (2)	—	6,500	—	—
Less: Capital expenditures	(140,054)	(82,431)	(55,288)	(63,252)
Free cash flow	$ 301,086	$ 242,143	$ 261,611	$ 243,581

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

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

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GROSS/NET LEVERAGE RATIO, INCLUDING GAAP NET INCOME TO ADJUSTED EBITDA (1)
(dollars in thousands)

	September 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013
DEBT (2):							
Total Debt & Capital Leases	$ 1,916,204	$ 1,668,014	$ 1,145,104	$ 1,235,009	$ 863,031	$ 777,863	$ 663,789
Plus: Other adjustments per credit agreement	$ 692	$ 3,033	$ 298	$ 3,621	$ 1,370	$ 2,828	$ 9,787
Total Indebtedness per credit agreement	$ 1,916,896	$ 1,671,047	$ 1,145,402	$ 1,238,630	$ 864,401	$ 780,691	$ 673,576
Less: Cash and cash equivalents	(165,614)	(195,442)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)
Net Debt	$ 1,751,282	$ 1,475,605	$ 981,608	$ 1,121,004	$ 746,454	$ 620,668	$ 517,649

	September 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013
ADJUSTED EBITDA (2):							
Net income attributable to common shareholders	$ 231,337	$ 226,373	$ 123,355	$ 154,765	$ 149,313	$ 126,698	$ 102,828
Adjustments:							
Less: Aggregate non-cash amount of nonrecurring gains	(207)	—	—	(685)	(9,878)	(2,048)	—
Plus: Interest expense	76,405	65,258	29,777	27,709	15,072	11,950	20,969
Plus: Provision for income taxes	39,821	54,996	171,369	66,835	43,391	46,685	32,142
Plus: Depreciation and amortization	187,843	161,779	131,159	126,658	94,881	96,445	96,636
Plus: Non-cash nonrecurring losses	76	559	17,716	6,792	10,427	1,615	4,202
Plus: Non-cash stock-based compensation	54,867	47,346	44,003	43,642	40,122	31,035	24,542
Plus: Permitted acquisition-related costs	31,886	19,181	6,687	22,653	13,451	6,285	1,752
Plus: Pro forma EBITDA adjustments for permitted acquisitions	24,773	15,648	690	18,573	9,199	10,787	—
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 646,799	$ 591,140	$ 524,756	$ 466,942	$ 365,978	$ 329,452	$ 283,071

	September 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013
LEVERAGE RATIO:							
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.96x	2.83x	2.2x	2.7x	2.4x	2.4x	2.4x
Net leverage ratio (net debt divided by adjusted EBITDA)	2.7x	2.5x	1.9x	2.4x	2.0x	1.9x	1.8x

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

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

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