Charles River Laboratories 1Q 2024 Results

May 9, 2024

Safe Harbor

Caution Concerning Forward-Looking Statements. This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “may,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

These statements also include statements about our expectations with respect to non-human primate (NHP) supply and the impact of the investigations by the U.S. Department of Justice, including but not limited to the impact on our projected future financial performance and study starts; our ability to cooperate fully with the U.S. government; the timing to develop and implement and provide additional disclosure regarding new procedures regarding importation of NHPs , including procedures to reasonably ensure that NHPs imported to the United States are purpose-bred; our expectations regarding the availability of NHPs, including the number of NHPs utilized in our studies; our expectations with respect to the adoption of animal alternatives; our ability to effectively manage constraints on NHP supply, including but not limited to as affected by our voluntary suspension of planned future shipments of NHPs from Cambodia, including expectations with respect to the amount of NHP-related work will be conducted in the U.S., any progress with regard to additional mitigation efforts, and the timing of shipments of NHPs from countries other than Cambodia; our compliance with the maintenance covenants under our credit agreement; our projected future financial performance (including without limitation revenue and revenue growth rates, revenue growth drivers, operating income and margin, earnings per share, capital expenditures, operating and free cash flow, interest expense, interest rates, effective tax rate and tax benefits, foreign exchange rates, volume growth, corporate expenses and costs, profitability, and leverage ratios) whether reported, constant currency, organic, and/or factoring acquisitions, with respect to Charles River as a whole and/or any of our reporting or operating segments or business units, including with respect to our CDMO business; the impact of specific actions intended to cause improvements to specific reporting or operating segments or business units; our ability to achieve our financial goals; our expectations with respect to the impact of external interest rate fluctuations; our annual and other financial guidance; the assumptions that form the basis for our revised annual guidance; contract renewal rates; the estimated diluted shares outstanding; the expected performance of our venture capital and other strategic investments; client demand, including trends and the future demand for drug discovery, development, and CDMO products and services, and our intentions to expand those businesses, including our investments in our portfolio; our expectations with respect to study volume; the impact of foreign exchange; our expectations with respect to our cancellation rate and the impact of such cancellations; the impact of potential changes in Federal Reserve interest rates; our expectations regarding our expected acquisition and divestiture activity, stock repurchases and debt repayment; the development and performance of our services and products; expectations with respect to pricing and scheduling of our products and services; market and industry conditions, including industry consolidation and the Company’s share of any market it participates in; outsourcing of services and identification of spending and scheduling trends by our clients and funding available to them; the impact of operations and cost structure alignment efforts on an annualized basis; the potential outcome of, and impact to, our business and financial operations due to litigation and legal proceedings and tax law changes; our business strategy, including with respect to capital deployment and facilities expansion; our success in identifying, consummating, and integrating, and the impact of our acquisitions and divestitures, including the Noveprim acquisition, on the Company, our financial results, our service offerings, client perception, strategic relationships, earnings, and synergies; our ability to differentiate from the competition; our expectations regarding the financial performance of the companies we have acquired; our strategic agreements with our clients and opportunities for future similar arrangements; our ability to obtain new clients in targeted market segments and/or to predict which client segments will be future growth drivers; the impact of our investments in specified business lines, products, sites and geographies, including the impact of our virtual power purchase agreements; our ability to meet economic challenges; and Charles River’s future performance as otherwise delineated in our forward-looking guidance.

Forward-looking statements are based on Charles River’s current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to: NHP supply constraints and the investigations by the U.S. Department of Justice, including the impact on our projected future financial performance, the timing of the resumption of Cambodia NHP imports, and our ability to manage supply impact; changes and uncertainties in the global economy and financial markets, including any changes in business, political, or economic conditions due to the November 16, 2022 announcement by the U.S. Department of Justice through the U.S. Attorney’s Office for the Southern District of Florida that a Cambodian NHP supplier and two Cambodian officials had been criminally charged in connection with illegally importing NHPs into the United States; the ability to successfully integrate businesses we acquire, including Noveprim; the balance of our financial outlook; 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 leverage and convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; USDA and FDA regulations; changes in law; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 14, 2024, 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.

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Market Overview

- Increasing focus on market sentiment through the first 4 months of 2024 from clients, investors, and other stakeholders
- Still believe that end-market trends for biopharmaceutical clients remain stable
  - Signs that demand will begin to improve later this year, which is consistent with the outlook provided in February
- One sign is improvement in biotech funding after two years of tempered activity
- Biotech funding increased significantly to ~$23B in 1Q24, the fourth-highest quarter on record

Market Overview, cont.

- Demand trends and improving market sentiment have led to positive discussions with clients
  - Including at annual Society of Toxicology (SOT) conference in March
- Clients specifically referenced improving funding environment and optimism that would lead to additional spending on early-stage programs this year
- Experienced increased proposal activity in 1Q24, and while this is encouraging, outlook for 2024 remains appropriately measured
  - We have available capacity to start certain types of work relatively quickly
- Expect it will take time for additional funding and proposal activity to translate into new DSA bookings and revenue generation
- Therefore, continue to expect demand will improve later this year
  - Consistent with initial outlook in February

1Q24 Overview

- 1Q24 financial results reflect continuation of demand trends and client spending patterns we experienced at end of 2023
  - Resulted in organic revenue decline of (3.3)%, in line with February outlook
- Manufacturing and RMS segments both reported solid quarters, primarily driven by:
  - Rebound in order activity in Microbial Solutions and Biologics Testing businesses benefiting Manufacturing
  - Timing of NHP shipments benefiting RMS
- As expected, DSA revenue declined at a high-single-digit rate organically, due in part to challenging comparison to strong organic growth rate of nearly 24% in 1Q23
- Demand trends continue to stabilize reflecting more positive sentiment in our end markets
  - Reinforcing our financial outlook for 2024

BIOSECURE Act

- There has also been increasing focus on the BIOSECURE Act in 2024
- Too early to determine final outcome of proposed legislation, including:
  - Content of final bill; or
  - Potential impact on broader biopharmaceutical industry
- With ~95% of CRL revenue based in North America and Europe, assume potential impact would be a net positive should bill be passed
- Too early to determine the magnitude of potential impact of BIOSECURE Act

Long-Term Industry Fundamentals Remain Firmly Intact

- Long-term industry fundamentals for drug development remain firmly intact
- Overwhelming demand to find life-saving treatments for rare diseases and many other unmet medical needs is unchanged
- Biotechs beginning to move back in favor in capital markets and will lead the way, while large pharma has consistently adapted to scientific advancements, regulatory environment, and drive to be more efficient
- Therefore, firmly believe the industry's healthy growth prospects will reaccelerate
- Not a matter of "if" but "when" clients will reinvigorate their investments in early-stage R&D
- As leader in preclinical drug development, CRL is the logical outsourcing partner to advance clients' programs and enhance their speed to market

1Q24 Revenue

($ in millions, except per share amounts)	1Q24	1Q23	YOY Δ
Revenue, reported	$1,011.6	$1,029.4	(1.7)%
Unfavorable/(favorable) impact of FX			(0.3)%
Contribution from acquisitions			(1.5)%
Impact of divestitures			0.2%
Revenue growth, organic			(3.3)%

- Solid performances from Manufacturing and RMS were offset by anticipated decline in DSA revenue
- Revenue from small and mid-sized biotechs declined, partially offset by higher revenue from global biopharma and academic clients

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

1Q24 Operating Margin

	1Q24	1Q23	YOY Δ
GAAP OM%	12.5%	16.3%	(380) bps
Non-GAAP OM%	18.5%	21.2%	(270) bps

- Operating margin decline principally driven by lower DSA operating margin and higher unallocated corporate costs
  - DSA reflected impact of lower sales volume
- Restructuring initiatives have not yet generated their full quarterly cost savings, which will occur in 2H24

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

1Q24 EPS

	1Q24	1Q23	YOY Δ
GAAP EPS	$1.30	$2.01	(35.3)%
Non-GAAP EPS	$2.27	$2.78	(18.3)%

- Decline reflects lower revenue and operating margin, as well as higher tax rate
- 1Q24 non-GAAP EPS exceeded initial outlook in February, due in part to timing of NHP shipments which moved into 1Q24 and benefited RMS results

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

2024 Guidance

	2024 Guidance
Revenue growth, reported	1.0%-4.0%
Impact of divestitures/(acquisitions), net	~(0.5)%
(Favorable)/unfavorable impact of FX	~(0.5)%
Revenue growth, organic	0.0%-3.0%
GAAP EPS estimate	$7.60-$8.10
Acquisition-related amortization	~$2.50
Acquisition and integration-related adjustments	~$0.10
Costs associated with restructuring actions	~$0.35
Certain venture capital and strategic investment losses/(gains), net	($0.08)
Other items	~$0.45
Non-GAAP EPS estimate	$10.90-$11.40

- Reaffirming revenue and non-GAAP EPS guidance
- As mentioned, some movement between quarters in the forecast, but outlook for year essentially unchanged

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

DSA Results – Revenue

($ in millions)	1Q24	1Q23	YOY Δ
Revenue, reported	$605.5	$662.4	(8.6)%
(Favorable)/unfavorable impact of FX			(0.5)%
Impact of divestitures			0.4%
Revenue growth, organic			(8.7)%

- 1Q24 YOY decline reflected challenging comparison to 23.6% growth rate in 1Q23, as well as lower revenue in both Discovery Services and Safety Assessment businesses

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

DSA Results – Safety Assessment (SA)

- Lower study volume in SA partially offset by a small benefit from pricing
- Modestly adjusting price on new proposals when appropriate to drive incremental volume
- SA proposal activity and cancellations improved on both YOY and sequential basis
- Improvement has not yet translated fully into improved bookings, but cautiously optimistic trends will lead to improved demand during 2H24
- Study mix routinely shifts back and forth over time, and believe that new funding will enable clients to shift their R&D focus back to IND-enabling studies from the post-IND work that has been the focus for much of the past year
- As a reminder, there is a natural lag between when a client receives new funding and reaches out for a study proposal, to when the client will book and subsequently begin new work with us
- Process can take a few quarters, which is factored into our expectation that demand will improve modestly later in 2024
- DSA backlog decreased modestly on a sequential basis to $2.35B at end of 1Q24, from $2.45B at YE 2023
  - Gross bookings remained stable at above 1x
  - Net book-to-bill ratio remained below 1x but did improve slightly due to lower cancellation rate in 1Q24

DSA Results – Operating Margin

	1Q24	1Q23	YOY Δ
DSA GAAP OM%	19.0%	25.9%	(690) bps
DSA Non-GAAP OM%	23.5%	29.0%	(550) bps

- YOY operating margin decline reflected challenging comparison to last year's outstanding performance
- 1Q24 operating margin was also below our longer-term targeted level in mid- to high-20% range because lower sales volume and moderating price increases in DSA businesses were unable to cover cost inflation
- Expect DSA operating margin to move towards targeted levels as demand rebounds in 2H24

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

RMS Results – Revenue

($ in millions)	1Q24	1Q23	YOY Δ
Revenue, reported	$220.9	$199.8	10.6%
(Favorable)/unfavorable impact of FX			0.3%
Contribution from acquisitions			(7.6)%
Revenue growth, organic			3.3%

- RMS segment benefited from:
  - Higher NHP revenue
  - Higher sales of small research models across all geographic regions due primarily to sustained price increases
  - Higher sales of research models services

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

RMS Results – Research Models

- Revenue for small models increased in North America, Europe, and China, due primarily to pricing
  - Growth in China led all regions
- While growth rate in China has been compressed by well-chronicled macroeconomic challenges, believe RMS demand has been less affected than other life science sectors
- Believe resilience of research model business—both in China and rest of world—comes from the fact that small models are essential, low-cost tools for research, and without which, research cannot proceed

RMS Results – Research Model Services

- Research Model Services revenue increased modestly
- Insourcing Solutions (IS) continued to generate higher revenue, led by CRADL® operations
- Also signed new contracts for legacy IS vivarium management solutions
- As mentioned in February, CRADL® growth rate is expected to accelerate during 2024
- Monitoring occupancy rates and new facility ramp in light of biotech demand environment, which remains healthy overall
- Balancing opening new sites in higher-demand biohubs like Boston-Cambridge and San Diego with consolidation of capacity in more saturated regions like South San Francisco

NHP Shipment Timing

- Timing of NHP shipments to third-party clients also benefited 1Q24 results
  - Both in China and from Noveprim (Mauritius-based supplier in which we acquired controlling interest late last year)
- Shipments accelerated into 1Q24
  - Will not change RMS revenue outlook this year
  - Will affect quarterly gating and pressure 2Q24 RMS revenue growth rate

RMS Results – Operating Margin

	1Q24	1Q23	YOY Δ
RMS GAAP OM%	19.5%	20.2%	(70) bps
RMS Non-GAAP OM%	27.6%	23.4%	420 bps

- Robust non-GAAP operating margin improvement primarily driven by benefit from higher NHP revenue in 1Q24, including the contribution from Noveprim
- Do not expect RMS operating margin will be sustained at this level for FY 2024 as gating of NHP shipments normalizes
- Continue to expect operating margin improvement in RMS and Manufacturing segments will enable us to achieve outlook for 2024

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

Manufacturing Results – Revenue

($ in millions)	1Q24	1Q23	YOY Δ
Revenue, reported	$185.2	$167.3	10.7%
(Favorable)/unfavorable impact of FX			(0.3)%
Revenue growth, organic			10.4%

- Each of segment's businesses contributed to revenue growth, led by CDMO business
- As expected, revenue rebounded in both Biologics Testing and Microbial Solutions in 1Q24

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

Manufacturing Results – Biologics Testing

- In Biologics Testing, improved 4Q23 proposal volume led to solid 1Q24 performance
- Proposal and booking activity also increased meaningfully YOY in 1Q24, confirming trends that emerged at YE 2023 are continuing
- Clients appear to be returning to core testing activities, including cell banking and viral clearance
  - These services slowed at beginning of 2023

Manufacturing Results – Microbial Solutions

- Microbial Solutions continued to see signs that destocking activity is winding down and believe it is now largely complete
- Clients have resumed their purchases of reagents and consumables
- Spending on new instruments was reactivated with an increase of new orders, particularly for Endosafe®-MCS™ endotoxin testing systems
- Believe our comprehensive manufacturing quality-control testing portfolio continues to resonate with clients and will help reinvigorate Manufacturing segment's growth rate in 2024

Sustainable Practices

- Biologics Testing and Microbial Solutions are excellent examples of our focus on sustainable practices and advancement of animal alternatives
- Biologics Testing has launched an initiative with clients to end the remaining *in vivo* testing used for viral safety and lot release testing, replacing it with *in vitro* methodologies
  - Next-generation sequencing testing is one alternative method that we are able to offer clients through our partnership with PathoQuest
- Microbial Solutions also introduced cartridge technology to our animal-free Endosafe® Trillium™ endotoxin testing platform, which will promote Trillium™'s adoption to those clients who are looking to implement more sustainable testing practices
- These are two examples of how we are already responsibly driving progress to reduce animal use and adopt alternative technologies

Manufacturing Results – CDMO

- CDMO business again drove segment growth, as it did for most of last year, generating solid, double-digit growth in 1Q24
- Client interest continues to be strong, with new projects starting almost weekly across various phases of clinical development
- Cell therapy production for our two commercial clients are beginning to ramp up
- 2Q24 growth comparison will be more challenging as we anniversary recovery of CDMO business in 2Q23
- Sales funnel remains robust and we continue to expect solid, double-digit growth this year

Manufacturing Results – Operating Margin

	1Q24	1Q23	YOY Δ
Manufacturing GAAP OM%	18.2%	1.3%	1690 bps
Manufacturing Non-GAAP OM%	25.3%	13.7%	1160 bps

- Non-GAAP operating margin increase driven primarily by higher sales volume as each of segment's businesses are regaining traction
- Also driven by comparison to last year's lease impairment in CDMO business

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

AMAP & Other Initiatives to Maintain Leadership Position

- Previously discussed client-facing initiatives implemented to become an even stronger scientific partner to our clients and actions to drive greater operational efficiencies
- In April, launched AMAP (Alternative Methods Advancement Project) program to drive positive change and better position CRL for future state of the industry
- AMAP is aimed at initiatives dedicated to developing alternatives to reduce animal testing
- Intend to remain at the forefront of evaluating and implementing new and innovative technologies, including alternative technologies, to enhance the role we play in helping our clients bring life-saving therapies to market more efficiently
- We anticipate these technologies will have a greater impact on drug discovery, rather than regulated safety testing process
  - Changes in drug discovery have already begun in screening for lead compounds
- Change will take time, which is why we intend to engage key stakeholders in pursuit of scientific and technological innovation focused on advancing animal alternatives
  - Key stakeholders include clients, partner organizations, thought leaders, policy makers, and NGOs

AMAP & Other Initiatives to Maintain Leadership Position, cont.

- Already been exploring alternatives to reduce animal testing through our initial investment of $200M over past four years
- A portion of that investment enabled us to acquire, partner, and internally develop more sustainable technologies, including animal-free Endosafe® Trillium™ endotoxin test and our partnership with PathoQuest for next-gen sequencing
- Over next five years, goal is to invest additional $300M to fund similar initiatives under AMAP to help enhance development and utilization of alternative technologies
- Intend to continue to lead the way in driving our industry to its next frontier

1Q24 Results

($ in millions, except per share amounts)	1Q24	1Q23	YOY Δ	Organic Δ
Revenue	$1,011.6	$1,029.4	(1.7)%	(3.3)%
GAAP OM%	12.5%	16.3%	(380) bps	
Non-GAAP OM%	18.5%	21.2%	(270) bps	
GAAP EPS	$1.30	$2.01	(35.3)%	
Non-GAAP EPS	$2.27	$2.78	(18.3)%	

- Organic revenue decrease was in line with February outlook
- Non-GAAP EPS exceeded outlook of at least $2.00 provided in February
- Primary drivers of earnings outperformance were acceleration of NHP shipments into 1Q24 and strong performance from Manufacturing segment
  - 1Q24 Manufacturing organic revenue growth was 10.4%

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

2024 Guidance

	2024 Guidance
Revenue growth, reported	1.0% - 4.0%
Revenue growth, organic	0.0% - 3.0%
GAAP EPS	$7.60 - $8.10
Non-GAAP EPS	$10.90 - $11.40

- Reaffirmed annual revenue and non-GAAP EPS guidance because 1Q24 outperformance largely driven by timing of NHP shipments
  - Affects only quarterly gating in 2024 and not full-year outlook

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

2024 Segment Revenue & Operating Margin Outlook

	2024 Reported Revenue Growth	2024 Organic Revenue Growth(1)
RMS	Mid-single-digit growth	Flat to low-single-digit growth
DSA	Flat to low-single-digit growth	Flat to low-single-digit growth
Manufacturing	Mid-single-digit growth	Mid-single-digit growth
Consolidated	1% - 4% growth	0% - 3% growth

- Segment revenue growth outlook remains essentially unchanged from February
- Consolidated operating margin outlook (non-GAAP): At least 50 basis points of margin expansion in 2024 (unchanged from prior)
- Diligently managing cost structure, focused on driving efficiency, with restructuring initiatives expected to generate ~$70M of annualized cost savings (upper end of prior range)

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

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

Unallocated Corporate Expenses

($ in millions)	1Q24	4Q23	1Q23
GAAP	$65.7	$65.9	$46.1
Non-GAAP	$62.7	$62.6	$43.9

- As expected, higher unallocated corporate costs contributed to operating margin headwind in 1Q24
- Continue to expect non-GAAP unallocated corporate expenses will moderate from 1Q24 levels to just above 5% of total revenue

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

Tax Rate

($ in millions)	1Q24	4Q23	1Q23
GAAP	24.8%	9.5%	20.7%
Non-GAAP	23.3%	21.6%	21.7%

- Increased non-GAAP tax rate YOY was primarily due to impact from stock-based compensation
- Slightly better than February outlook of a mid-20% rate because stock-based compensation was favorable due to a higher stock price during 1Q24
- Continue to expect Non-GAAP tax rate for 2024 will be in a range of 23%-24%, unchanged from previous outlook

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

Net Interest Expense

($ in millions)	1Q24	4Q23	1Q23
Interest expense, net	$32.8	$32.0	$33.6

- Net interest expense was similar to both 1Q23 and 4Q23 levels, as floating interest rates and debt balances were relatively stable
- Expect FY 2024 net interest expense to trend slightly favorable, putting us at low end of prior outlook of $125M-$130M
- Nearly three-quarters of $2.7B debt at end of 1Q24 was at a fixed rate
- At end of 1Q24, gross leverage ratio was 2.4x and net leverage ratio was 2.3x

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

Cash Flow

($ in millions)	1Q24	1Q23	FY 2024 Guidance
Free cash flow (FCF)	$50.7	$2.5	$400-$440M
Capex	$79.1	$106.9	~$300M
Depreciation	$52.8	$42.2	$195-$200M
Amortization (1)	$32.6	$34.9	~$130M

- 1Q24 FCF improvement driven primarily by decrease in capital expenditures
- Moderating capacity expansions to match current demand

(1) Amortization of intangible assets only. Excludes amortization of inventory fair value adjustments included in cost of products sold or costs of services provided.

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

2024 Guidance Summary

	GAAP	Non-GAAP
Revenue growth	1%-4% reported	0%-3% organic(1)
Unallocated corporate	Above 5% of revenue	Above 5% of revenue
Operating margin	Improvement in 2024	At least 50 bps of improvement
Net interest expense	Low end of $125M-$130M	Low end of $125M-$130M
Tax rate	24%-25%	23%-24%
EPS	$7.60-$8.10	$10.90-$11.40
Cash flow	Operating cash flow $700M-$740M	Free cash flow $400M-$440M
Capital expenditures	~$300M	~$300M

(1) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures, and foreign currency translation

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2Q24 Outlook

	2Q24 Outlook
Reported revenue YOY	Low- to mid-single-digit decline
Organic revenue YOY	Low- to mid-single-digit decline
Non-GAAP EPS	Mid-single-digit sequential growth over $2.27 in 1Q24

- Modest sequential increase in DSA revenue (dollars $) as trends begin to improve
- Revenue growth rates for RMS and Manufacturing expected to be constrained by timing of NHP shipments (RMS) and anniversary of last year's CDMO growth rebound (Manufacturing)
- Non-GAAP EPS expected to improve from 1Q24 level
  - Tax rate and interest expense expected to remain relatively stable from 1Q24
  - Operating margin will remain somewhat constrained until 2H24 when we recognize full benefit from cost savings and revenue growth reaccelerates to cover more of annual cost inflation

Closing Remarks

- Pleased with 1Q24 performance and confident in outlook for 2024
- Demand for our unique, non-clinical portfolio is resilient
- We remain focused on executing our strategy, driving efficiency, and gaining market share

1Q24
Regulation G Financial Reconciliations & Appendix

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

	Three Months Ended	
	March 30, 2024	**April 1, 2023**
Research Models and Services		
Revenue	$ 220,907	$ 199,766
Operating income	43,149	40,409
Operating income as a % of revenue	19.5 %	20.2 %
Add back:		
Amortization related to acquisitions	10,288	5,494
Acquisition related adjustments [2]	163	830
Severance	540	—
Site consolidation and impairment charges	6,846	—
Total non-GAAP adjustments to operating income	$ 17,837	$ 6,324
Operating income, excluding non-GAAP adjustments	$ 60,986	$ 46,733
Non-GAAP operating income as a % of revenue	27.6 %	23.4 %
Depreciation and amortization	$ 18,123	$ 13,489
Capital expenditures	$ 20,044	$ 19,084
Discovery and Safety Assessment		
Revenue	$ 605,452	$ 662,353
Operating income	114,839	171,431
Operating income as a % of revenue	19.0 %	25.9 %
Add back:		
Amortization related to acquisitions	18,596	17,487
Acquisition related adjustments [2]	192	244
Severance	5,484	—
Site consolidation and impairment charges	1,007	—
Third-party legal costs [3]	2,191	2,805
Total non-GAAP adjustments to operating income	$ 27,470	$ 20,536
Operating income, excluding non-GAAP adjustments	$ 142,309	$ 191,967
Non-GAAP operating income as a % of revenue	23.5 %	29.0 %
Depreciation and amortization	$ 45,789	$ 42,450
Capital expenditures	$ 48,959	$ 65,184
Manufacturing Solutions		
Revenue	$ 185,201	$ 167,254
Operating income	33,681	2,106
Operating income as a % of revenue	18.2 %	1.3 %
Add back:		
Amortization related to acquisitions	10,793	12,021
Acquisition related adjustments [2]	699	829
Severance	1,523	916
Site consolidation and impairment charges	100	2,572
Third-party legal costs [3]	—	4,490
Total non-GAAP adjustments to operating income	$ 13,115	$ 20,828
Operating income, excluding non-GAAP adjustments	$ 46,796	$ 22,934
Non-GAAP operating income as a % of revenue	25.3 %	13.7 %
Depreciation and amortization	$ 19,805	$ 20,084
Capital expenditures	$ 8,862	$ 21,738

CONTINUED ON NEXT SLIDE

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

	Three Months Ended	
	March 30, 2024	**April 1, 2023**
CONTINUED FROM PREVIOUS SLIDE		
Unallocated Corporate Overhead	$ (65,692)	$ (46,054)
Add back:		
Severance	1,490	—
Acquisition related adjustments [2]	1,529	2,203
Total non-GAAP adjustments to operating expense	$ 3,019	$ 2,203
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (62,673)	$ (43,851)
Total		
Revenue	$ 1,011,560	$ 1,029,373
Operating income	125,977	167,892
Operating income as a % of revenue	12.5 %	16.3 %
Add back:		
Amortization related to acquisitions	39,677	35,002
Acquisition related adjustments [2]	2,583	4,106
Severance	9,037	916
Site consolidation and impairment charges	7,953	2,572
Third-party legal costs [3]	2,191	7,295
Total non-GAAP adjustments to operating income	$ 61,441	$ 49,891
Operating income, excluding non-GAAP adjustments	$ 187,418	$ 217,783
Non-GAAP operating income as a % of revenue	18.5 %	21.2 %
Depreciation and amortization	$ 85,357	$ 77,069
Capital expenditures	$ 79,144	$ 106,875

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

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

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

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

	Three Months Ended	
	March 30, 2024	April 1, 2023
Net income available to Charles River Laboratories, Inc. common shareholders	$ 67,329	$ 103,131
Add back:		
Adjustment of redeemable noncontrolling interest [2]	401	—
Incremental dividends attributable to noncontrolling interest holders [3]	5,230	—
Non-GAAP adjustments to operating income (Refer to previous schedule)	61,441	49,891
Venture capital and strategic equity investment (gains) losses, net	(5,762)	3,282
(Gain) loss on divestitures [4]	658	(441)
Other [5]	—	(101)
Tax effect of non-GAAP adjustments:		
Non-cash tax provision related to international financing structure [6]	341	1,124
Tax effect of the remaining non-GAAP adjustments	(12,028)	(13,899)
Net income attributable to Charles River Laboratories, Inc. common shareholders, excluding non-GAAP adjustments	$ 117,610	$ 142,987
Weighted average shares outstanding - Basic	51,437	51,097
Effect of dilutive securities:		
Stock options, restricted stock units and performance share units	405	331
Weighted average shares outstanding - Diluted	51,842	51,428
Earnings per share attributable to common shareholders:		
Basic	$ 1.31	$ 2.02
Diluted	$ 1.30	$ 2.01
Basic, excluding non-GAAP adjustments	$ 2.29	$ 2.80
Diluted, excluding non-GAAP adjustments	$ 2.27	$ 2.78

(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

(2) This amount represents accretion adjustments of the Noveprim redeemable noncontrolling interest.

(3) This amount represents incremental undeclared dividends attributable to Noveprim noncontrolling interest holders who receive preferential dividends for fiscal year 2024.

(4) The amount included in 2024 relates to a loss on the sale of a Safety Assessment site. Adjustments included in 2023 relate to the gain on the sale of our Avian Vaccine business, which was divested in 2022.

(5) Amounts included in 2023 relate to a final adjustment on the termination of a Canadian pension plan.

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

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

Three Months Ended March 30, 2024	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	(1.7)%	10.6 %	(8.6)%	10.7 %
(Increase) decrease due to foreign exchange	(0.3)%	0.3 %	(0.5)%	(0.3)%
Contribution from acquisitions [2]	(1.5)%	(7.6)%	— %	— %
Impact of divestitures [3]	0.2 %	— %	0.4 %	— %
Non-GAAP revenue growth, organic [4]	**(3.3)%**	**3.3 %**	**(8.7)%**	**10.4 %**

[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.

[3] Impact of divestitures relates to the sale of a site within our Safety Assessment business.

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 28, 2024E

2024 GUIDANCE	CURRENT	PRIOR
Revenue growth, reported	1.0% – 4.0%	1.0% – 4.0%
Impact of divestitures/(acquisitions), net	~(0.5)%	~(0.5)%
(Favorable)/unfavorable impact of foreign exchange	~(0.5)%	~(0.5)%
Revenue growth, organic (1)	0.0% – 3.0%	0.0% – 3.0%
GAAP EPS estimate	$7.60 – $8.10	$7.90 – $8.40
Acquisition-related amortization (2)	~$2.50	~$2.40
Acquisition and integration-related adjustments (3)	~$0.10	~$0.10
Costs associated with restructuring actions (4)	~$0.35	~$0.25
Certain venture capital and other strategic investment losses/(gains), net (5)	($0.08)	--
Incremental dividends related to Noveprim (6)	~$0.25	--
Other items (7)	~$0.20	~$0.25
Non-GAAP EPS estimate	$10.90 – $11.40	$10.90 – $11.40

Footnotes to Guidance Table:

(1) Organic revenue growth is defined as reported revenue growth adjusted for completed acquisitions and divestitures, as well as foreign currency translation.

(2) These adjustments include amortization related to intangible assets, as well as the purchase accounting step-up on inventory and certain long-term biological assets.

(3) These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain third-party integration, and related costs.

(4) These adjustments primarily include site consolidation, severance, impairment, and other costs related to the Company's restructuring actions.

(5) Certain venture capital and other strategic investment performance only includes recognized gains or losses on certain investments. The Company does not forecast the future performance of these investments.

(6) This item primarily relates to incremental dividends attributable to Noveprim noncontrolling interest holders who receive preferential dividends for fiscal year 2024.

(7) These items primarily relate to (i) certain third-party legal costs related to investigations by the U.S. government into the NHP supply chain related to our Safety Assessment business; and (ii) charges associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure.

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

	Three Months Ended		
	March 30, 2024	**December 30, 2023**	**April 1, 2023**
Income before income taxes & noncontrolling interests	$ 99,011	$ 208,706	$ 131,041
Add back:			
Amortization related to acquisitions	39,677	35,919	35,002
Acquisition related adjustments [2]	2,583	3,156	4,106
Severance	9,037	4,600	916
Site consolidation and impairment charges	7,953	16,322	2,572
Third-party legal costs [3]	2,191	1,030	7,295
Venture capital and strategic equity investment (gains) losses, net [4]	(5,762)	(105,919)	3,282
(Gain) loss on divestitures [5]	658	(34)	(441)
Other [6]	—	877	(101)
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	$ 155,348	$ 164,657	$ 183,672
Provision for income taxes (GAAP)	$ 24,529	$ 19,754	$ 27,087
Non-cash tax benefit related to international financing structure [7]	(341)	(991)	(1,124)
Tax effect of the remaining non-GAAP adjustments	12,028	16,860	13,899
Provision for income taxes (Non-GAAP)	$ 36,216	$ 35,623	$ 39,862
Total rate (GAAP)	24.8 %	9.5 %	20.7 %
Total rate, excluding specified charges (Non-GAAP)	23.3 %	21.6 %	21.7 %

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

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

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

[4] The gain during the fourth quarter 2023 relates predominantly to a gain recognized on our 49% equity interest in Noveprim Group, acquired in April 2022, which was then remeasured at fair value upon acquisition of a 90% controlling equity interest during the fourth quarter of fiscal 2023.

[5] The amount included in 2024 relates to a loss on the sale of a Safety Assessment site. Adjustments included in 2023 relate to the gain on the sale of our Avian Vaccine business, which was divested in 2022.

[6] Amounts included in 2023 relate to a final adjustment on the termination of a Canadian pension plan.

[7] This amount relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.

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

	Three Months Ended		2024 Guidance
	March 30, 2024	April 1, 2023	FYE December 28, 2024E
Net cash provided by operating activities	$ 129,888	$ 109,383	$700,000-$740,000
Less: Capital expenditures	(79,144)	(106,875)	~(300,0000)
Free cash flow	$ 50,744	$ 2,508	$400,000-$440,000

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

DEBT [2]:	**March 30, 2024**	**December 30, 2023**	**December 31, 2022**	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**
Total Debt & Finance Leases	$ 2,663,087	$ 2,652,717	$ 2,711,208	$ 2,666,359	$ 1,979,784	$ 1,888,211
Plus: Other adjustments per credit agreement	33,265	33,265	13,431	37,244	2,328	712
Less: Unrestricted Cash and Cash Equivalents up to $150M	(150,000)	(150,000)	(150,000)	(150,000)	—	—
Total Indebtedness per credit agreement	$ 2,546,352	$ 2,535,982	$ 2,574,639	$ 2,553,603	$ 1,982,112	$ 1,888,924
Less: Cash and cash equivalents (net of $150M above)	(177,039)	(126,771)	(83,912)	(91,214)	(228,424)	(238,014)
Net Debt	$ 2,369,313	$ 2,409,211	$ 2,490,727	$ 2,462,389	$ 1,753,688	$ 1,650,910

ADJUSTED EBITDA [2]:	**March 30, 2024**	**December 31, 2022**	**December 31, 2022**	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**
Net income available to Charles River Laboratories International, Inc. common shareholders	$ 438,822	$ 474,624	$ 486,226	$ 390,982	$ 364,304	$ 252,019
Adjustments:						
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	(96,148)	(79,288)	35,498	66,004		
Less: Aggregate non-cash amount of nonrecurring gains	—	—	(32,638)	(42,247)	(1,361)	(310)
Plus: Interest expense	137,331	136,710	108,870	107,224	76,825	79,586
Plus: Provision for income taxes	98,356	100,914	130,379	81,873	81,808	50,023
Plus: Depreciation and amortization	322,412	314,124	303,870	265,540	234,924	198,095
Plus: Non-cash nonrecurring losses	36,834	44,077	16,572	8,573	16,810	427
Plus: Non-cash stock-based compensation	75,326	72,048	73,617	71,461	56,341	57,271
Plus: Permitted acquisition-related costs	14,354	15,639	34,453	51,256	18,750	34,827
Plus: Pro forma EBITDA adjustments for permitted acquisitions	15,437	18,542	5,306	4,008	8	12,320
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 1,042,724	$ 1,097,390	$ 1,162,153	$ 1,004,675	$ 848,408	$ 684,259

LEVERAGE RATIO:	**March 30, 2024**	**December 31, 2022**	**December 31, 2022**	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.44	2.31	2.22	2.54	2.34	2.76
Net leverage ratio (net debt divided by adjusted EBITDA)	2.3	2.2	2.1	2.5	2.1	2.4

INTEREST COVERAGE RATIO:	**March 30, 2024**	**December 31, 2022**	**December 31, 2022**	**December 25, 2021**
Capital Expenditures	294,085	323,050	326,338	232,149
Cash Interest Expense	139,961	139,545	110,731	107,389
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	5.35x	5.55x	7.55x	7.19x

[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 April 21. 2021, the Company has defined its pro forma leverage ratio as total debt divided by adjusted EBITDA for the trailing-twelve-month period. The Company has defined interest coverage ratio as adjusted EBITDA for the trailing-twelve-month period less the aggregate amount of capital expenditures for the trailing-twelve-period; divided by the consolidated interest expense for the period of four consecutive fiscal quarters.

Total Debt represents third-party debt and financial lease obligations minus up to $150M of unrestricted cash and cash equivalents. 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, non-cash gains/loss on venture capital portfolios and strategic partnerships, 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.

Total Debt and EBITDA have not been restated for periods prior to Q1 2021.

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

	Three Months Ended December 30, 2023
Unallocated Corporate Overhead	$ (65,924)
Add back:	
Severance	889
Acquisition related adjustments [2]	2,462
Total non-GAAP adjustments to operating expense	$ 3,351
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (62,573)

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

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

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