Financial Overview

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Corporate Executive Vice President &
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MEETING WITH MANAGEMENT

2019 Performance: 1H19 & FY Guidance

From Continuing Operations ($ in millions, except per share data)	1H19	1H18	%Δ	Organic CC %Δ
RMS	$273.2	$264.4	3.3%	6.1%
DSA	$759.7	$606.4	25.3%	9.8%
Manufacturing	$229.2	$208.5	9.9%	13.4%
Revenue	$1,262.1	$1,079.3	16.9%	9.6%
GAAP OM%	11.8%	13.4%	(160) bps	
Non-GAAP OM%	17.4%	17.8%	(40) bps	
GAAP EPS	$1.99	$2.14	(7.0)%	
Non-GAAP EPS	$3.03	$2.74	10.6%	
Free Cash Flow	$102.9	$135.0	(23.8)%	

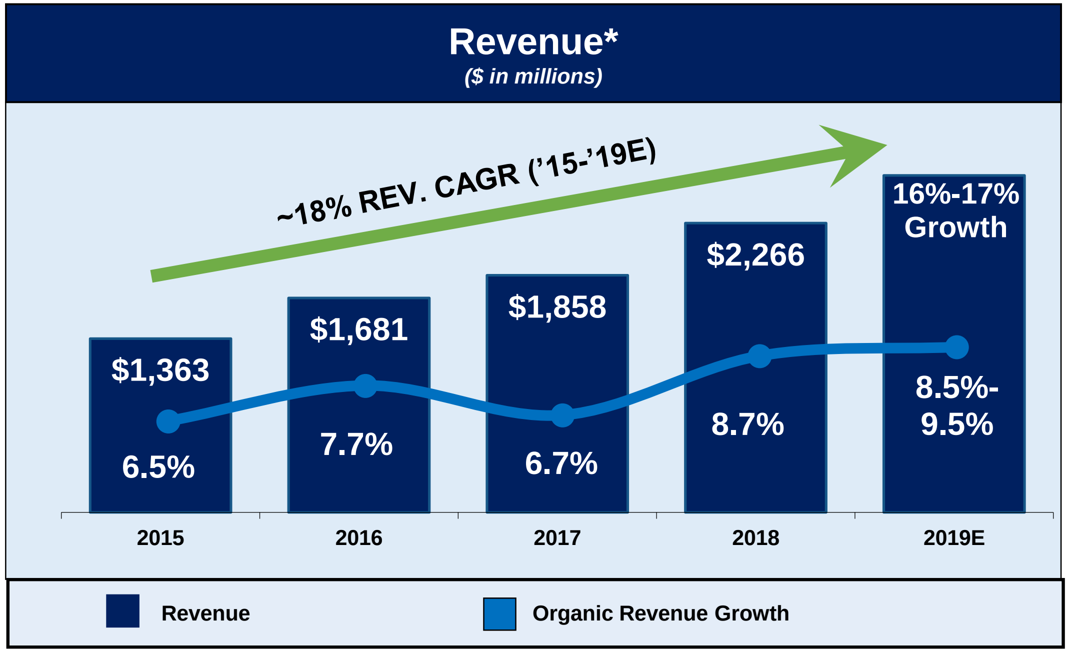
FY 2019 Guidance

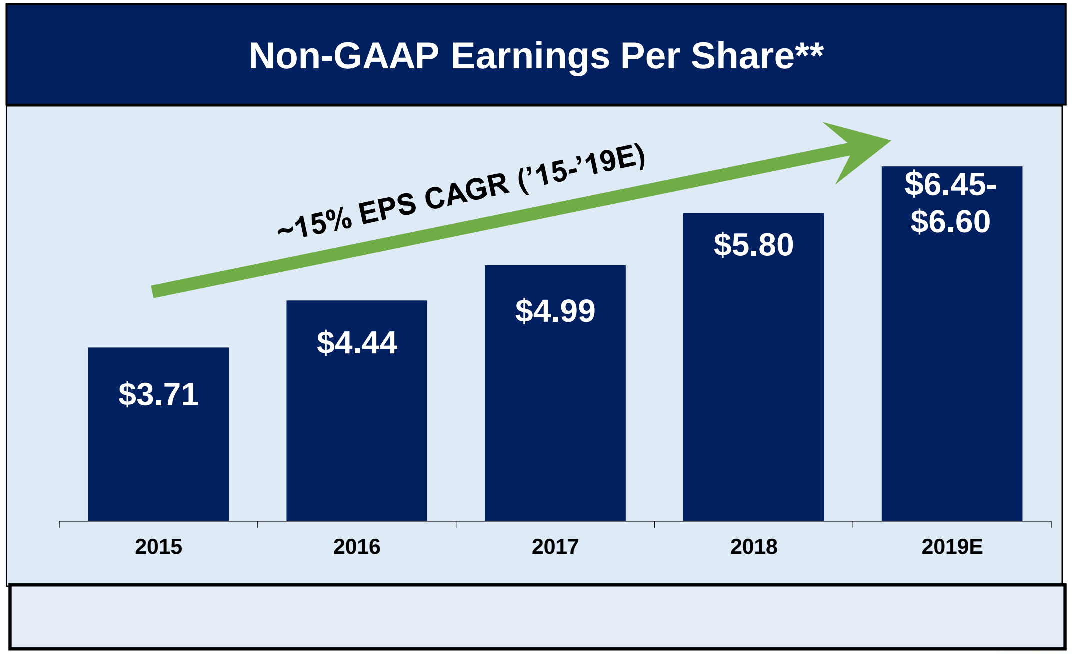
Reported Revenue Growth	**16%-17%**
Organic Revenue Growth	**8.5%-9.5%**
GAAP EPS	**$4.65-$4.80**
Non-GAAP EPS	**$6.45-$6.60** *Low-double-digit growth*
Free Cash Flow	**$310-$320M**

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

Strategic Plan Targets

- Targeting long-term revenue and EPS growth of:
  - **High-single-digit** organic revenue growth
    - Averaged organic revenue growth **above 7%** over the last 4 years
  - **At least low-double-digit** non-GAAP EPS growth
    - Non-GAAP EPS from 2015-2019E expected to **increase by ~15%** (CAGR)
    - Non-GAAP EPS growth ahead of prior outlook for EPS growth exceeding organic revenue growth by at least 200 bps





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- **** Reported Revenue Growth (GAAP): 2015: 5.1%; 2016: 23.3%; 2017: 10.5%; 2018: 22.0%; 2019E: 16%-17%***
- ***** GAAP EPS: 2015: $3.15; 2016: $3.22; 2017: $2.54; 2018: $4.59; 2019E: $4.65-$4.80***

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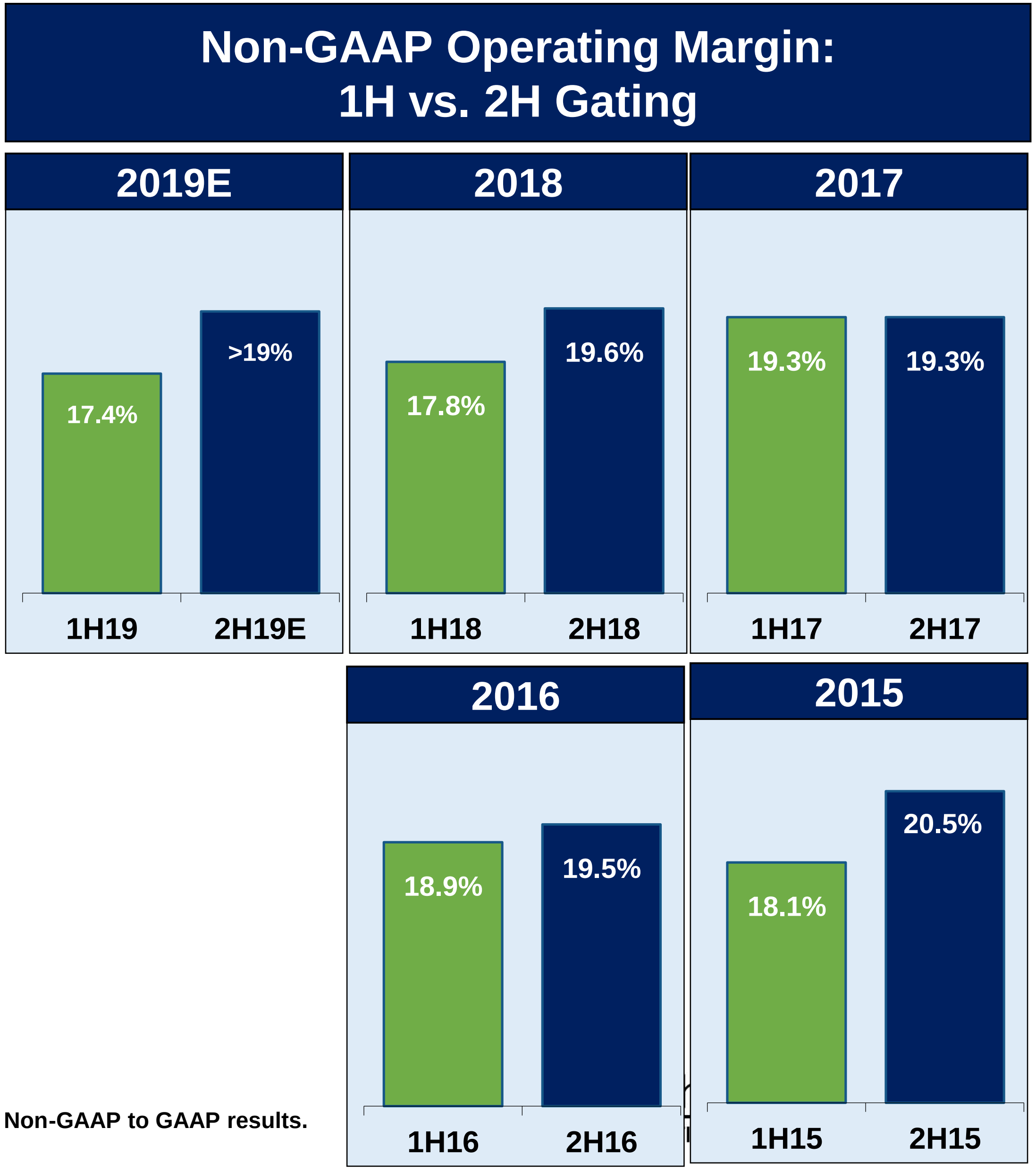
Operating Margin Expansion

- Committed to achieve **non-GAAP operating margin target of 20% in FY 2021**
  - 2H19 anniversary of headwinds from compensation structure adjustment, Biologics capacity expansion, and large IS contract
  - Generate **greater operating leverage** from higher sales volume, pricing, and efficiency
  - Leverage unallocated **corporate** costs
    - Target ~**5%** of total revenue
- Historical trends demonstrate that our 2H non-GAAP operating margin has been notably higher in recent years when compared to 1H levels
  - Factors to 2H improvement include:
    - Higher Q1 fringe costs
    - Q1 seasonality in Biologics business
    - Synergies from acquisitions completed in 1H start to ramp up during 2H
    - Other discrete margin factors (i.e. study mix, etc.)



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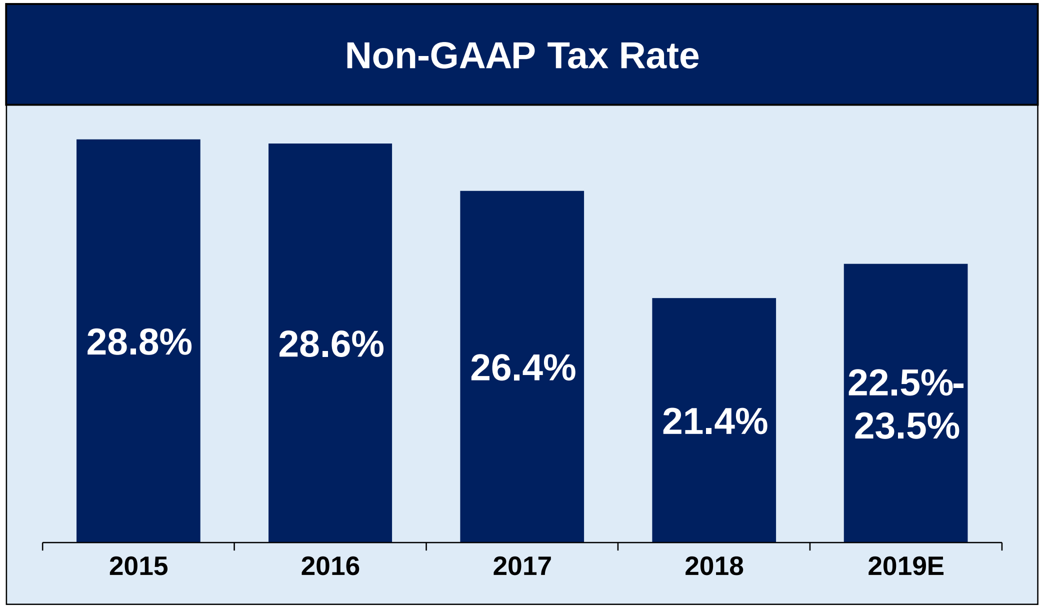
Tax Rate Outlook

- Non-GAAP tax rate movements over last 5 years driven primarily by:
  - 2017 YOY Decrease: Excess tax benefit from stock compensation (FASB rule ASU 2016-09)
  - 2018 YOY Decrease: U.S. tax reform; operational and tax planning initiatives; discrete tax benefits
  - 2019E YOY Increase: R&D tax credits offset by reduction of prior-year discrete tax benefits
- Long-term tax rate guidance is modestly below prior outlook of mid-20% range due to R&D tax credits associated with Citoxlab acquisition



Believe non-GAAP tax rate in the low- to mid-20% range is sustainable going forward, assuming current global tax legislation

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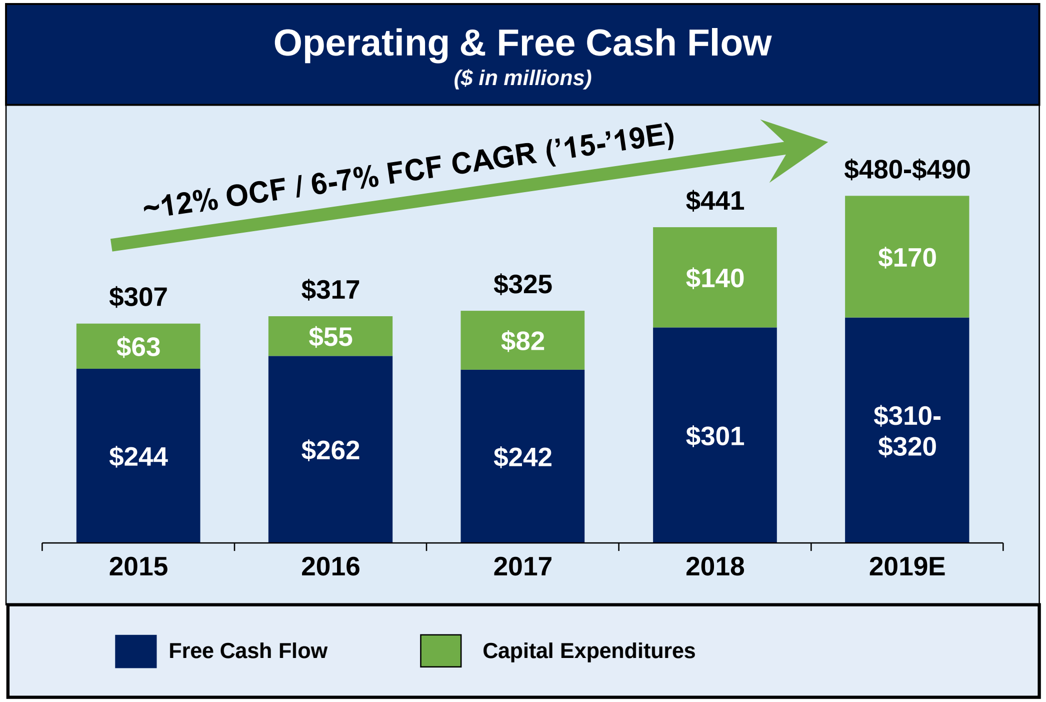
**** GAAP Tax Rate: 2015: 22.2%; 2016: 30.0%; 2017: 57.7%; 2018: 19.3%; 2019E: 20%-21%.***

Strong Cash Flow Generation

- **Low-double-digit operating cash flow growth** over last 5 years
  - 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 **under 7% of total revenue**



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Optimizing Our Capital Structure

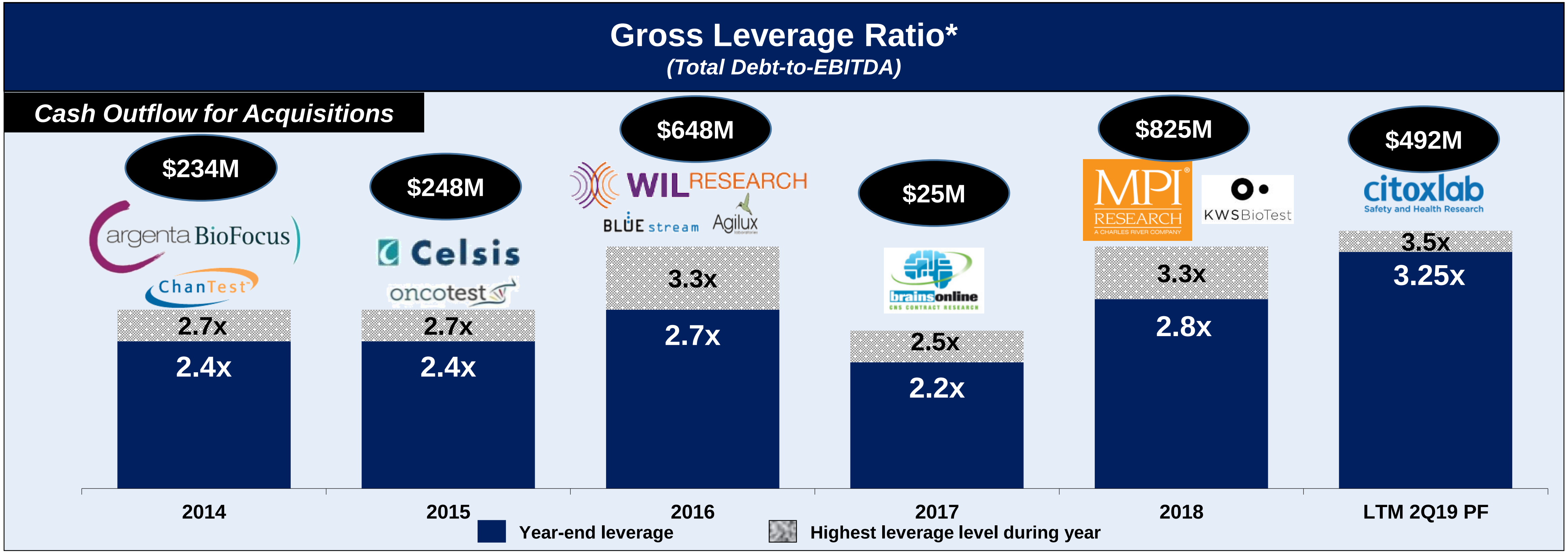
- **Refinanced** debt structure last year:
  - Amended credit facility
    - Upsized senior secured revolving credit facility to $1.55B (from $1.0B)
    - Upsized senior secured term loan A to $750M (from $650M)
  - Issued new $500M, 5.5% senior unsecured notes
    - Fixed interest rate on a portion of our capital structure
- Would evaluate issuing **additional fixed-rate debt** given favorable interest rate environment
  - Realign debt structure to support future M&A

CRL Capitalization ($ in MM)	6/29/19
5.5% Senior notes	$500
Term loan	713
Revolving credit facility	839
Finance leases & other	23
Total debt *(short & long-term)*	**$2,074**
Additional borrowing capacity	$706

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

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 continue to be focused on **strategic M&A**
  - Absent any acquisitions, goal will be to drive the gross leverage ratio below 3x



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* 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.

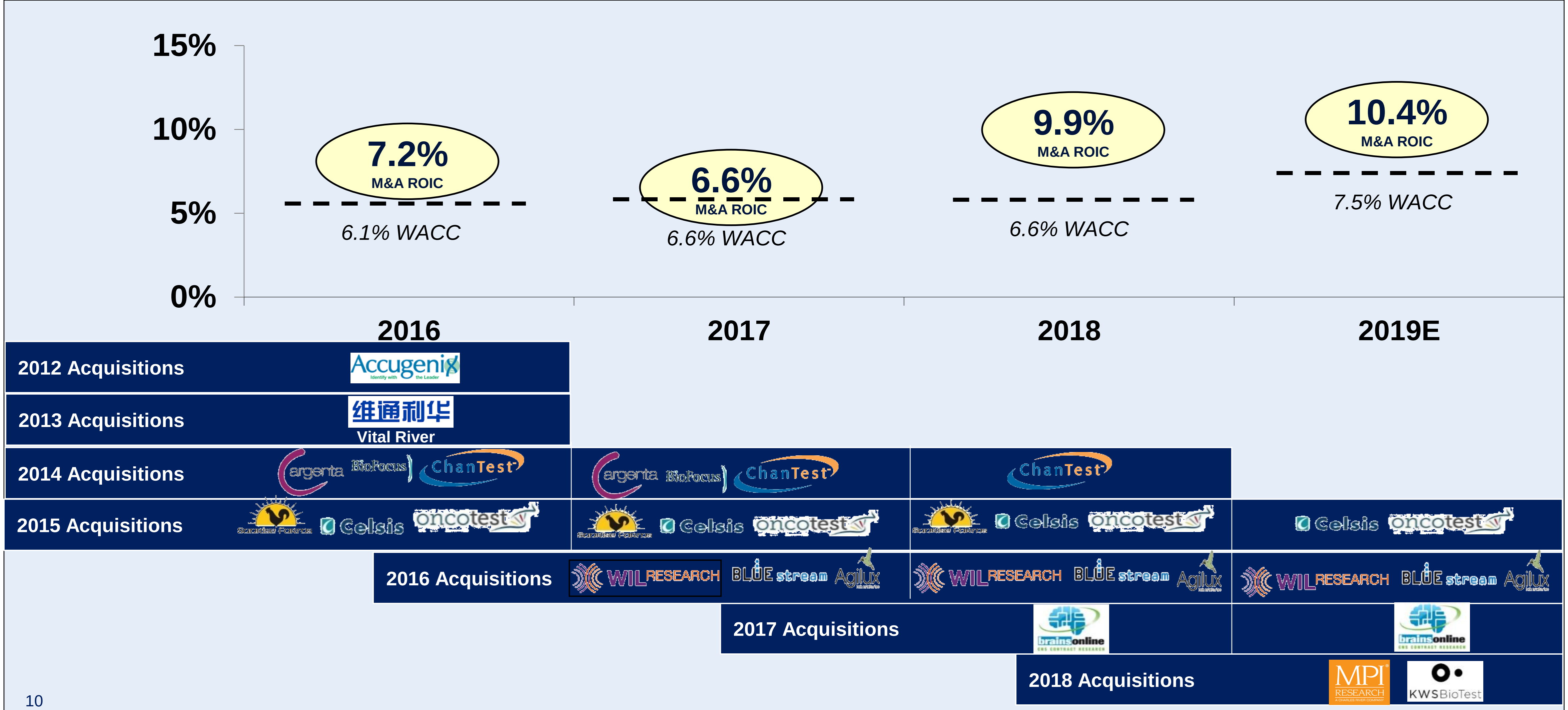
Strategic M&A Remains Top Priority

- **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)



Venture Capital Investment Strategy

- Primary purpose for partnering with VC firms is to be a preferred CRO to a large group of emerging biotech companies
- CRL's venture capital (VC) investments have created a two-pronged income stream
  - Example of an innovative strategy to effectively deploy capital to generate revenue and create value
- VC relationships have resulted in **27%**[(1)] average annual return
- Historically, VC strategy has been a self-funding initiative (capital funded approximates realized/unrealized gains recorded)
  - Also provides incremental opportunities to win work with VC portfolio companies that we may not have been able to attract otherwise

Client Relationships

- LTM June 2019 revenue contribution was **~$85M** from portfolio companies of VC funds in which we have invested

Investment Gains

- Investment returns have been attractive, but are a secondary element of these relationships
  - Capital commitments (since inception):
    - $75M funded/$129M total commitment
  - Gains/distributions (since inception; pre-tax):
    - $76M in realized/unrealized gains, including $52M in realized cash/equity distributions
- **14%** average annual investment return on VC investments alone

1. Return calculation includes VC investment gains and operating cash flow from revenue generated from VC funds in which we have invested (both net of tax) . It does not include revenue generated from VC funds in which we have not invested.

Financial Target Summary

	2-Year Target (Non-GAAP)	5-Year Average or CAGR (2015-2019E)
Revenue growth	High-single-digit organic growth	7.7% organic growth (average) 18% reported growth CAGR
EPS growth	At least low-double-digit growth	15% CAGR Nearly 2x organic revenue growth
Operating margin	20% in FY 2021	19.1% (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	25.6% (average)
Capital expenditures	Under 7% of revenue	5.0% 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

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