

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
- FOR THE QUARTERLY PERIOD ENDED September 27, 2025**
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
- FOR THE TRANSITION PERIOD FROM TO**

Commission File No. 001-15943



CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

06-1397316

(I.R.S. Employer
Identification No.)

251 Ballardvale Street
Wilmington, Massachusetts 01887

(Address of Principal Executive Offices) (Zip Code)

(Registrant's telephone number, including area code): **(781) 222-6000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	CRL	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by a check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 25, 2025, there were 49,215,471 shares of the Registrant's common stock outstanding.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 27, 2025

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Special Note on Factors Affecting Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements regarding future events and the future results of Charles River Laboratories International, Inc. that are based on our current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as “expect,” “anticipate,” “target,” “goal,” “project,” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “likely,” “may,” “designed,” “would,” “future,” “can,” “could,” and other similar expressions which are predictions of, indicate future events and trends or which do not relate to historical matters, are intended to identify such forward-looking statements. These statements are based on our current expectations and beliefs and involve a number of risks, uncertainties and assumptions that are difficult to predict.

For example, we may use forward-looking statements when addressing topics such as: our expectations regarding the availability of NHPs and our ability to diversify our non-human primate (NHP) supply chain; the outcome of (1) the U.S. Securities and Exchange Commission (SEC)’s investigation and inquiry related to the NHP supply chain (including shipments of non-human primates from Cambodia received by the Company), (2) the putative securities class action lawsuit filed against us and certain current/former officers on May 19, 2023, (3) the derivative lawsuit filed against members of the Board of Directors and certain current/former officers on November 8, 2023, and (4) the derivative lawsuit filed against certain current/former members of the Board of Directors and certain current/former officers on August 2, 2024; the timing and impact of the development and implementation of enhanced procedures to reasonably ensure that non-human primates we source are purpose-bred; changes and uncertainties in the global economy and financial markets; client demand, particularly future demand for drug discovery and development products and services, including the outsourcing of these services; our expectations with respect to our ability to meet financial targets; the Company’s plans or prospects, expectations and long-term goals associated with our business; the company’s expectations concerning future financial and operating performance, including the company’s commitment to, and ability to create long-term value for shareholders and to successfully execute on the Board of Directors’ comprehensive strategic review and evaluation of Charles River’s business and prospects; our expectations regarding stock repurchases, including the number of shares to be repurchased, expected timing and duration, the amount of capital that may be expended and the treatment of repurchased shares; our ability to successfully execute our business strategy; our ability to timely build infrastructure to satisfy capacity needs and support business growth, our ability to fund our operations for the foreseeable future; the impact of unauthorized access into our information systems, including the timing and effectiveness of any enhanced security and monitoring present spending trends and other cost reduction activities by our clients; future actions by our management; the outcome of contingencies; changes in our business strategy, business practices and methods of generating revenue; the development and performance of our services and products; market and industry conditions, including competitive and pricing trends and the impact of those conditions, including on our allowances for credit losses; our strategic relationships with leading pharmaceutical and biotechnology companies, venture capital investments, and opportunities for future similar arrangements; our cost structure; our expectations regarding our acquisitions and divestitures, including their impact and projected timing; our expectations with respect to revenue growth and operating synergies (including the impact of specific actions intended to cause related improvements); the nature, timing and impact of specific actions intended to improve overall operating efficiencies and profitability (and our ability to accommodate future demand with our infrastructure), including actions to optimize our global footprint, and gains and losses attributable to businesses we plan to close, consolidate, divest or repurpose and the impact of operations and restructuring actions (including as estimated on an annualized basis); our expectations with respect to study cancellation rates and the impact of such cancellations; our expectations with respect to tax rates and benefits, including the impact of tax legislation on our operations; changes in our expectations regarding future stock option, restricted stock, performance share units and other equity grants to employees and directors; expectations with respect to foreign currency exchange; assessing (or changing our assessment of) our tax positions for financial statement purposes; our liquidity; and the impact of litigation, including our ability to successfully defend litigation against us. In addition, these statements include the impact of economic and market conditions on us and our clients, the effects of our cost-saving actions and the steps to optimize returns to shareholders on an effective and timely basis; and our ability to withstand the current market conditions.

Forward-looking statements are predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document, or in the case of statements incorporated by reference, on the date of the document incorporated by reference. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in our Annual Report on Form 10-K for the year ended December 28, 2024, under the sections entitled “Our Strategy,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in this Quarterly Report on Form 10-Q, under the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors,” in our press releases, and other financial filings with the Securities and Exchange Commission. We have no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or risks. New information, future events, or risks may cause the forward-looking events we discuss in this report not to occur.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CHARLES RIVER LABORATORIES INTERNATIONAL, INC. CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) (in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Service revenue	\$ 808,042	\$ 832,463	\$ 2,446,801	\$ 2,492,225
Product revenue	196,810	177,300	574,354	555,215
Total revenue	1,004,852	1,009,763	3,021,155	3,047,440
Costs and expenses				
Cost of services provided (excluding amortization of intangible assets)	572,635	568,699	1,734,939	1,724,246
Cost of products sold (excluding amortization of intangible assets)	93,425	92,043	272,625	275,617
Selling, general and administrative	177,589	199,213	546,937	555,295
Amortization of intangible assets	27,404	32,403	158,052	97,248
Operating income	133,799	117,405	308,602	395,034
Other income (expense)				
Interest income	1,422	1,528	3,923	6,740
Interest expense	(25,403)	(30,284)	(83,254)	(98,054)
Other income (expense), net	(22,618)	2,592	(34,675)	6,185
Income before income taxes	87,200	91,241	194,596	309,905
Provision for income taxes	31,644	20,946	60,469	70,867
Net income	55,556	70,295	134,127	239,038
Less: Net income attributable to noncontrolling interests	1,134	638	1,910	2,340
Net income attributable to Charles River Laboratories International, Inc.	\$ 54,422	\$ 69,657	\$ 132,217	\$ 236,698
Calculation of net income per share attributable to Charles River Laboratories International, Inc. common shareholders				
Net income attributable to Charles River Laboratories International, Inc.	\$ 54,422	\$ 69,657	\$ 132,217	\$ 236,698
Less: Adjustment of redeemable noncontrolling interests	—	379	—	1,081
Less: Incremental dividends attributed to noncontrolling interest holders	—	599	—	9,621
Net income available to Charles River Laboratories International, Inc. common shareholders	\$ 54,422	\$ 68,679	\$ 132,217	\$ 225,996
Earnings per common share				
Basic	\$ 1.11	\$ 1.34	\$ 2.66	\$ 4.39
Diluted	\$ 1.10	\$ 1.33	\$ 2.65	\$ 4.37
Weighted-average number of common shares outstanding				
Basic	49,213	51,394	49,680	51,461
Diluted	49,426	51,583	49,866	51,713

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(in thousands)

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income	\$ 55,556	\$ 70,295	\$ 134,127	\$ 239,038
Other comprehensive income (loss):				
Foreign currency translation adjustment	(26,962)	85,018	154,639	500
Amortization of net loss, settlement losses, and prior service benefit included in total cost for pension and other post-retirement benefit plans	462	352	1,327	1,038
Unrealized losses on hedging instruments	—	(1,060)	—	(688)
Other comprehensive income (loss), before income taxes	(26,500)	84,310	155,966	850
Less: Income tax expense (benefit) related to items of other comprehensive income	(952)	8,348	28,967	848
Comprehensive income, net of income taxes	30,008	146,257	261,126	239,040
Less: Comprehensive income (loss) related to noncontrolling interests, net of income taxes	735	(238)	3,180	(1,214)
Comprehensive income attributable to Charles River Laboratories International, Inc., net of income taxes	<u>\$ 29,273</u>	<u>\$ 146,495</u>	<u>\$ 257,946</u>	<u>\$ 240,254</u>

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except per share amounts)

	September 27, 2025	December 28, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 207,097	\$ 194,606
Trade receivables and contract assets, net of allowances for credit losses of \$13,805 and \$18,301, respectively	734,482	720,915
Inventories	302,550	278,544
Prepaid assets	121,535	103,210
Other current assets	166,440	105,796
Total current assets	1,532,104	1,403,071
Property, plant and equipment, net	1,591,625	1,604,014
Venture capital and strategic equity investments	194,635	218,350
Operating lease right-of-use assets, net	374,273	412,490
Goodwill	2,922,281	2,846,608
Intangible assets, net	571,094	723,400
Deferred tax assets	36,907	42,179
Other assets	290,893	278,233
Total assets	\$ 7,513,812	\$ 7,528,345
Liabilities, Redeemable Noncontrolling Interests and Equity		
Current liabilities:		
Accounts payable	\$ 169,615	\$ 140,337
Accrued compensation	269,697	179,418
Deferred revenue	237,728	248,322
Accrued liabilities	228,895	232,010
Other current liabilities	215,953	194,014
Total current liabilities	1,121,888	994,101
Long-term debt, net and finance leases	2,185,453	2,240,205
Operating lease right-of-use liabilities	443,185	483,789
Deferred tax liabilities	123,007	106,960
Other long-term liabilities	189,462	195,212
Total liabilities	4,062,995	4,020,267
Commitments and contingencies (Notes 10, 12, and 14)		
Redeemable noncontrolling interests	40,492	41,126
Equity:		
Preferred stock, \$0.01 par value; 20,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 120,000 shares authorized; 51,351 shares issued and 49,215 shares outstanding as of September 27, 2025, and 51,141 shares issued and outstanding as of December 28, 2024	514	511
Additional paid-in capital	2,015,665	1,966,237
Retained earnings	1,944,317	1,812,100
Treasury stock, at cost, 2,136 and zero shares, as of September 27, 2025 and December 28, 2024, respectively	(363,431)	—
Accumulated other comprehensive loss	(191,616)	(317,345)
Total Charles River Laboratories International, Inc. equity	3,405,449	3,461,503
Nonredeemable noncontrolling interest	4,876	5,449
Total equity	3,410,325	3,466,952
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,513,812	\$ 7,528,345

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cash flows relating to operating activities		
Net income	\$ 134,127	\$ 239,038
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	325,035	259,637
Long-lived asset impairments	36,185	17,339
Stock-based compensation	53,451	52,656
Deferred income taxes	(15,122)	(25,988)
Write down of inventories	10,697	11,472
(Gains) losses and impairments on venture capital and strategic equity investments, net	33,955	(8,788)
Provision for credit losses	4,559	8,223
(Gain) loss on divestitures, net	(3,376)	659
Other, net	3,306	8,900
Changes in assets and liabilities:		
Trade receivables and contract assets, net	8,106	18,300
Inventories	(45,280)	13,789
Accounts payable	40,747	(7,095)
Accrued compensation	81,870	(1,981)
Deferred revenue	(12,319)	13,583
Customer contract deposits	(533)	14,707
Other assets and liabilities, net	(65,282)	(39,236)
Net cash provided by operating activities	590,126	575,215
Cash flows relating to investing activities		
Capital expenditures	(130,202)	(157,351)
Purchases of investments and contributions to venture capital investments	(12,544)	(45,264)
Proceeds from sale of investments	5,637	39,470
Proceeds from sale of businesses and assets, net	17,441	—
Acquisition of businesses and assets, net of cash acquired	—	(5,479)
Other, net	3,154	(358)
Net cash used in investing activities	(116,514)	(168,982)
Cash flows relating to financing activities		
Proceeds from long-term debt and revolving credit facility	1,070,861	976,783
Payments on long-term debt, revolving credit facility, and finance lease obligations	(1,141,500)	(1,316,990)
Proceeds from exercises of stock options	3	23,110
Purchase of treasury stock	(360,577)	(119,051)
Payments of contingent consideration	(21,822)	—
Purchase of remaining equity interest of other redeemable noncontrolling interests	(19,140)	(12,000)
Other, net	(12,687)	(26,900)
Net cash used in financing activities	(484,862)	(475,048)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	14,900	(4,025)
Net change in cash, cash equivalents, and restricted cash	3,650	(72,840)
Cash, cash equivalents, and restricted cash, beginning of period	205,570	284,480
Cash, cash equivalents, and restricted cash, end of period	\$ 209,220	\$ 211,640

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
(UNAUDITED)
(in thousands)

	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Total Charles River Laboratories, Inc. Equity	Noncontrolling Interest	Total Equity
		Shares	Amount				Shares	Amount			
December 28, 2024	\$ 41,126	51,141	\$ 511	\$ 1,966,237	\$ 1,812,100	\$ (317,345)	—	\$ —	\$ 3,461,503	\$ 5,449	\$ 3,466,952
Net income	75	—	—	—	25,469	—	—	—	25,469	334	25,803
Other comprehensive income (loss), net of tax	(858)	—	—	—	—	52,099	—	—	52,099	—	52,099
Adjustment of redeemable noncontrolling interests to redemption value	1,320	—	—	(1,320)	—	—	—	—	(1,320)	—	(1,320)
Issuance of stock under employee compensation plans	—	60	1	—	—	—	—	—	1	—	1
Purchase of treasury shares	—	—	—	—	—	—	2,086	(353,132)	(353,132)	—	(353,132)
Share repurchase excise tax	—	—	—	—	—	—	—	(3,419)	(3,419)	—	(3,419)
Stock-based compensation	—	—	—	13,135	—	—	—	—	13,135	—	13,135
March 29, 2025	\$ 41,663	51,201	\$ 512	\$ 1,978,052	\$ 1,837,569	\$ (265,246)	2,086	\$ (356,551)	\$ 3,194,336	\$ 5,783	\$ 3,200,119
Net income (loss)	(159)	—	—	—	52,326	—	—	—	52,326	526	52,852
Other comprehensive income, net of tax	2,527	—	—	—	—	98,779	—	—	98,779	—	98,779
Adjustment of redeemable noncontrolling interest to redemption value	2,383	—	—	(2,383)	—	—	—	—	(2,383)	—	(2,383)
Dividends to noncontrolling interests	(6,458)	—	—	—	—	—	—	—	—	—	—
Issuance of stock under employee compensation plans	—	143	1	—	—	—	—	—	1	—	1
Purchase of treasury shares	—	—	—	—	—	—	50	(6,787)	(6,787)	—	(6,787)
Stock-based compensation	—	—	—	17,049	—	—	—	—	17,049	—	17,049
June 28, 2025	39,956	51,344	513	1,992,718	1,889,895	(166,467)	2,136	(363,338)	3,353,321	6,309	3,359,630
Net income	615	—	—	—	54,422	—	—	—	54,422	519	54,941
Other comprehensive (loss) income, net of tax	(399)	—	—	—	—	(25,149)	—	—	(25,149)	—	(25,149)
Adjustment of redeemable noncontrolling interest to redemption value	320	—	—	(320)	—	—	—	—	(320)	—	(320)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	—	(1,952)	(1,952)
Issuance of stock under employee compensation plans	—	7	1	—	—	—	—	—	1	—	1
Purchase of treasury shares	—	—	—	—	—	—	—	(93)	(93)	—	(93)
Stock-based compensation	—	—	—	23,267	—	—	—	—	23,267	—	23,267
September 27, 2025	\$ 40,492	51,351	\$ 514	\$ 2,015,665	\$ 1,944,317	\$ (191,616)	2,136	\$ (363,431)	\$ 3,405,449	\$ 4,876	\$ 3,410,325

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS
(UNAUDITED)
(in thousands)

	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Charles River Laboratories, Inc. Equity	Noncontrolling Interest	Total Equity
		Shares	Amount				Shares	Amount			
December 30, 2023	\$ 56,722	51,338	\$ 513	\$ 1,905,578	\$ 1,887,218	\$ (196,427)	—	\$ —	\$ 3,596,882	\$ 5,394	\$ 3,602,276
Net income	1,201	—	—	—	72,960	—	—	—	72,960	321	73,281
Other comprehensive loss, net of tax	(2,763)	—	—	—	—	(53,492)	—	—	(53,492)	—	(53,492)
Adjustment of redeemable noncontrolling interests to redemption value	4,807	—	—	(4,406)	(401)	—	—	—	(4,807)	—	(4,807)
Dividends declared to noncontrolling interests	(2,192)	—	—	—	—	—	—	—	—	—	—
Issuance of stock under employee compensation plans	—	214	2	21,503	—	—	—	—	21,505	—	21,505
Purchase of treasury shares	—	—	—	—	—	—	42	(9,351)	(9,351)	—	(9,351)
Stock-based compensation	—	—	—	16,738	—	—	—	—	16,738	—	16,738
March 30, 2024	\$ 57,775	51,552	\$ 515	\$ 1,939,413	\$ 1,959,777	\$ (249,919)	42	\$ (9,351)	\$ 3,640,435	\$ 5,715	\$ 3,646,150
Net income (loss)	(332)	—	—	—	94,081	—	—	—	94,081	512	94,593
Other comprehensive income (loss), net of tax	85	—	—	—	—	(19,790)	—	—	(19,790)	—	(19,790)
Adjustment of redeemable noncontrolling interests to redemption value	496	—	—	(195)	(301)	—	—	—	(496)	—	(496)
Dividends declared to noncontrolling interests	—	—	—	—	—	—	—	—	—	(1,938)	(1,938)
Purchase of remaining equity interest of other redeemable noncontrolling interest	(12,000)	—	—	—	—	—	—	—	—	—	—
Adjustment of purchase price of Noveprim redeemable noncontrolling interest	52	—	—	—	—	—	—	—	—	—	—
Issuance of stock under employee compensation plans	—	144	2	824	—	—	—	—	826	—	826
Purchase of treasury shares	—	—	—	—	—	—	41	(8,914)	(8,914)	—	(8,914)
Stock-based compensation	—	—	—	16,587	—	—	—	—	16,587	—	16,587
June 29, 2024	\$ 46,076	51,696	\$ 517	\$ 1,956,629	\$ 2,053,557	\$ (269,709)	83	\$ (18,265)	\$ 3,722,729	\$ 4,289	\$ 3,727,018
Net income	73	—	—	—	69,657	—	—	—	69,657	565	70,222
Other comprehensive income (loss), net of tax	(876)	—	—	—	—	76,838	—	—	76,838	—	76,838
Adjustment of redeemable noncontrolling interests to redemption value	5,705	—	—	(5,326)	(379)	—	—	—	(5,705)	—	(5,705)
Dividends declared to noncontrolling interests	(10,388)	—	—	—	—	—	—	—	—	—	—
Issuance of stock under employee compensation plans	—	22	—	779	—	—	—	—	779	—	779
Purchase of treasury shares	—	—	—	—	—	—	501	(100,786)	(100,786)	—	(100,786)
Share repurchase excise tax	—	—	—	—	—	—	—	(570)	(570)	—	(570)
Stock-based compensation	—	—	—	19,331	—	—	—	—	19,331	—	19,331
September 28, 2024	\$ 40,590	51,718	\$ 517	\$ 1,971,413	\$ 2,122,835	\$ (192,871)	584	\$ (119,621)	\$ 3,782,273	\$ 4,854	\$ 3,787,127

See Notes to Unaudited Condensed Consolidated Financial Statements.

1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements are unaudited and have been prepared by Charles River Laboratories International, Inc. (the Company) in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The year-end condensed consolidated balance sheet data was derived from the Company's audited consolidated financial statements, but does not include all disclosures required by U.S. GAAP. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025. Certain reclassifications of prior year amounts have been made to conform to the current year presentation. The unaudited condensed consolidated financial statements, in the opinion of management, reflect all normal and recurring adjustments necessary for a fair statement of the Company's financial position and results of operations.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in accordance with U.S. GAAP requires that the Company make estimates and judgments that may affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, judgments, and methodologies. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Changes in estimates are reflected in reported results in the period in which they become known.

Newly Issued Accounting Pronouncements

In September 2025, the FASB issued ASU 2025-06, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350 - 40) - Targeted Improvements to the Accounting for Internal-Use Software." ASU 2025-06 improves the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods, including the methods that entities may use to develop software in the future. The ASU is effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted, and the amendments in this ASU may be adopted using either a prospective transition approach, a modified transition approach or a retrospective transition approach. The Company is currently evaluating the impact this new standard will have on the consolidated financial statements and the related disclosures.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivables and Contract Assets." ASU 2025-05 provides a practical expedient to assume that the current conditions as of the balance sheet date do not change for the remaining life of the asset if the expected credit losses were estimated under the reasonable and supportable approach. The ASU is effective for fiscal years beginning after December 15, 2025, and interim periods within those annual reporting periods. Early adoption is permitted, and if practical expedient is elected, the amendments in this update should be applied on a prospective basis. The Company is currently evaluating the impact this new standard will have on the consolidated financial statements and the related disclosures.

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses (Subtopic 220-40)" which requires enhanced disclosure of income statement expense categories to improve transparency and provide financial statement users with more detailed information about the nature, amount and timing of expenses impacting financial performance. This new guidance is effective for the Company for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The amendments in this ASU may be adopted using the prospective or retrospective methods. The Company is currently evaluating the method of adoption and the impact this new standard will have on the related disclosures in the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures (Topic 740)". ASU 2023-09 requires enhanced disclosures on income taxes paid, adds disaggregation of continuing operations before income taxes between foreign and domestic earnings and defines specific categories for the reconciliation of jurisdictional tax rate to effective tax rate. This ASU is effective for fiscal years beginning after December 15, 2024, and can be applied on a prospective basis. The Company is currently evaluating the method of adoption and the impact this new standard will have on the related disclosures in the consolidated financial statements.

Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 1, "Description of Business and Summary of Significant Accounting Policies" in the Company's Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025.

Consolidation

The Company's unaudited condensed consolidated financial statements reflect its financial statements and those of its subsidiaries in which the Company holds a controlling financial interest. For consolidated entities in which the Company owns or is exposed to less than 100% of the economics, the Company records net income (loss) attributable to noncontrolling interests in its unaudited condensed consolidated statements of income equal to the percentage of the economic or ownership interest retained in such entities by the respective noncontrolling parties. Redeemable noncontrolling interests, where the noncontrolling interest holders have the ability to require the Company to purchase the remaining interests, are classified in the mezzanine section of the unaudited condensed consolidated balance sheets, which is presented above the equity section and below liabilities. Intercompany balances and transactions are eliminated in consolidation.

The Company's fiscal year is typically based on 52-weeks, with each quarter composed of 13 weeks ending on the last Saturday on, or closest to, March 31, June 30, September 30, and December 31. A 53rd week in the fourth quarter of the fiscal year is occasionally necessary to align with a December 31 calendar year-end.

Segment Reporting

The Company reports its results in three reportable segments: Research Models and Services (RMS), Discovery and Safety Assessment (DSA), and Manufacturing Solutions (Manufacturing).

The Company's RMS reportable segment includes products and services offered within Research Models, Research Model Services, and Cell Solutions. Research Models includes the commercial production and sale of small research models, as well as the supply of large research models. Research Model Services includes: Insourcing Solutions (IS), which provides colony management of clients' research operations (including recruitment, training, staffing, and management services) within the clients' facilities and utilizing the Charles River Accelerator and Development Lab (CRADL™) offerings, which provide vivarium space to clients, Genetically Engineered Models and Services (GEMS), which performs contract breeding and other services associated with genetically engineered models; and Research Animal Diagnostic Services (RADS), which provides health monitoring and diagnostics services related to research models, and Cell Solutions which supplies controlled, consistent, customized primary cells and blood components derived from normal and mobilized peripheral blood and bone marrow as well as cells from disease state donors.

The Company's DSA reportable segment includes discovery and safety assessment services. The Company provides regulated and non-regulated DSA services to support the discovery, development, and regulatory-required safety testing of potential new drugs, including *in vitro* (non-animal) and *in vivo* (in research models) studies, laboratory support services, including bioanalytical and strategic non-clinical consulting and program management to support product development.

The Company's Manufacturing reportable segment includes Microbial Solutions, which provides *in vitro* lot-release testing products, microbial detection products, and species identification services and Biologics Solutions (Biologics), which performs specialized testing of biologics (Biologics Testing Solutions) as well as contract development and manufacturing products and services (CDMO).

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following table disaggregates the Company's revenue by reportable segment and timing of transfer of products or services:

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
(in thousands)				
Timing of Revenue Recognition:				
RMS				
Services and products transferred over time	\$ 96,080	\$ 93,446	\$ 290,832	\$ 285,794
Services and products transferred at a point in time	117,394	104,378	348,986	339,326
Total RMS revenue	213,474	197,824	639,818	625,120
DSA				
Services and products transferred over time	600,080	613,388	1,809,465	1,844,298
Services and products transferred at a point in time	605	1,672	1,858	3,633
Total DSA revenue	600,685	615,060	1,811,323	1,847,931
Manufacturing				
Services and products transferred over time	92,250	107,284	290,334	311,823
Services and products transferred at a point in time	98,443	89,595	279,680	262,566
Total Manufacturing revenue	190,693	196,879	570,014	574,389
Total revenue	\$ 1,004,852	\$ 1,009,763	\$ 3,021,155	\$ 3,047,440

Contract Balances from Contracts with Customers

The following table provides information about client receivables, contract assets, and contract liabilities from contracts with customers:

	September 27, 2025	December 28, 2024
	(in thousands)	
Assets from contracts with customers		
Client receivables	\$ 537,404	\$ 527,705
Unbilled revenue	210,883	211,511
Total	748,287	739,216
Less: Allowance for credit losses	(13,805)	(18,301)
Trade receivables and contract assets, net	\$ 734,482	\$ 720,915
Liabilities from contracts with customers		
Current deferred revenue	\$ 237,728	\$ 248,322
Long-term deferred revenue (included in Other long-term liabilities)	42,492	34,291
Customer contract deposits (included in Other current liabilities)	91,167	89,446

Approximately 90% of unbilled revenue as of December 28, 2024, which was \$212 million, was billed during the nine months ended September 27, 2025. Approximately 90% of unbilled revenue as of December 30, 2023, which was \$228 million, was billed during the nine months ended September 28, 2024.

Approximately 75% of contract liabilities as of December 28, 2024, which was \$283 million, were recognized as revenue during the nine months ended September 27, 2025. Approximately 80% of contract liabilities as of December 30, 2023, which was \$273 million, were recognized as revenue during the nine months ended September 28, 2024.

When the Company does not have the unconditional right to advanced billings, both advanced client payments and unpaid advanced client billings are excluded from deferred revenue, with the advanced billings also being excluded from client

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receivables. The Company excluded approximately \$34 million and \$38 million of unpaid advanced client billings from both client receivables and deferred revenue in the accompanying unaudited condensed consolidated balance sheets as of September 27, 2025 and December 28, 2024, respectively.

Allowance for Credit Losses

The following is a summary of the activity of the Company's allowance for credit losses:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Beginning balance	\$ 18,301	\$ 25,722
Provisions	4,559	8,223
Reductions	(9,055)	(10,068)
Ending balance	\$ 13,805	\$ 23,877

Net provision expenses were \$2.8 million and \$7.2 million during the nine months ended September 27, 2025 and September 28, 2024, respectively and include recoveries of balances previously written off, which are excluded from the table above.

Transaction Price Allocated to Future Performance Obligations

The Company discloses the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of September 27, 2025. Excluded from the disclosure is the value of unsatisfied performance obligations for contracts with an original expected length of one year or less, contracts for which revenue is recognized at the amount to which the Company has the right to invoice for services performed, and service revenue recognized in accordance with ASC 842, "Leases". The aggregate amount of transaction price allocated to the remaining performance obligations for all open customer contracts as of September 27, 2025 was \$649.3 million. The Company will recognize revenues for these performance obligations as they are satisfied, approximately 50% of which is expected to occur within the next twelve months and the remainder recognized thereafter during the remaining contract term.

Other Performance Obligations

As part of the Company's service offerings, the Company has identified performance obligations related to leasing Company owned assets. In certain arrangements, customers obtain substantially all of the economic benefits of the identified assets, which may include manufacturing suites and related equipment, and have the right to direct the assets' use over the term of the contract. The associated revenue is recognized on a straight-line basis over the term of the lease, which is generally less than one year, and recorded within service revenue. The Company recognized \$12.1 million and \$16.6 million in lease revenue during the three months ended September 27, 2025 and September 28, 2024. The Company recognized \$35.7 million and \$54.3 million in lease revenue during the nine months ended September 27, 2025 and September 28, 2024. Due to the nature of these arrangements and timing of the contractual lease term, the remaining revenue to be recognized related to these lease performance obligations is not material to the unaudited condensed consolidated financial statements.

3. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates in three reportable segments: RMS, DSA, and Manufacturing. The reportable segments comprise the structure used by the Company's Chief Executive Officer, who is the Chief Operating Decision Maker (CODM), to make key operating decisions and assess performance. These segments are strategic business units with differing products and services.

The Company's CODM evaluates the segments operating performance based on operating income. Operating income is the measure of profit or loss regularly provided to and used by the CODM to assess performance and allocate resources. Operating income is defined as revenue less costs of revenue; selling, general, and administrative expenses; and amortization of intangible assets. For each segment, the CODM uses operating income in the annual budgeting and quarterly forecasting process when comparing to actual results. Asset information on a reportable segment basis is not disclosed as this information is not separately identified and internally reported to the Company's CODM. The following table presents the results of operations by reportable segment:

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
(in thousands)				
RMS				
Revenue	\$ 213,474	\$ 197,824	\$ 639,818	\$ 625,120
Cost of revenue (excluding amortization of intangible assets)	148,004	137,906	430,435	421,773
Selling, general and administrative	24,934	26,453	77,509	84,943
Amortization of intangible assets	5,983	5,921	17,930	17,763
Operating income	<u>\$ 34,553</u>	<u>\$ 27,544</u>	<u>\$ 113,944</u>	<u>\$ 100,641</u>
DSA				
Revenue	\$ 600,685	\$ 615,060	\$ 1,811,323	\$ 1,847,931
Cost of revenue (excluding amortization of intangible assets)	408,112	409,684	1,250,162	1,246,560
Selling, general and administrative	56,266	63,260	181,829	174,598
Amortization of intangible assets	13,154	15,680	39,446	47,122
Operating income	<u>\$ 123,153</u>	<u>\$ 126,436</u>	<u>\$ 339,886</u>	<u>\$ 379,651</u>
Manufacturing				
Revenue	\$ 190,693	\$ 196,879	\$ 570,014	\$ 574,389
Cost of revenue (excluding amortization of intangible assets)	109,944	113,152	326,967	331,530
Selling, general and administrative	32,556	32,737	99,004	99,397
Amortization of intangible assets	8,267	10,802	100,676	32,363
Operating income	<u>\$ 39,926</u>	<u>\$ 40,188</u>	<u>\$ 43,367</u>	<u>\$ 111,099</u>
Unallocated Corporate ⁽¹⁾				
Selling, general and administrative	\$ 63,833	\$ 76,763	\$ 188,595	\$ 196,357
Operating loss	<u>\$ (63,833)</u>	<u>\$ (76,763)</u>	<u>\$ (188,595)</u>	<u>\$ (196,357)</u>

⁽¹⁾ Operating income for unallocated corporate consists of costs associated with departments such as senior executives, corporate accounting, legal, tax, human resources, treasury, and investor relations.

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	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
(in thousands)				
Revenue				
RMS	\$ 213,474	\$ 197,824	\$ 639,818	\$ 625,120
DSA	600,685	615,060	1,811,323	1,847,931
Manufacturing	190,693	196,879	570,014	574,389
Total revenue	<u>\$ 1,004,852</u>	<u>\$ 1,009,763</u>	<u>\$ 3,021,155</u>	<u>\$ 3,047,440</u>
Operating Income (Loss)				
RMS	\$ 34,553	\$ 27,544	\$ 113,944	\$ 100,641
DSA	123,153	126,436	339,886	379,651
Manufacturing	39,926	40,188	43,367	111,099
Segment operating income	197,632	194,168	497,197	591,391
Unallocated Corporate	(63,833)	(76,763)	(188,595)	(196,357)
Operating income	<u>\$ 133,799</u>	<u>\$ 117,405</u>	<u>\$ 308,602</u>	<u>\$ 395,034</u>
Other income (expense):				
Interest income	1,422	1,528	3,923	6,740
Interest expense	(25,403)	(30,284)	(83,254)	(98,054)
Other income (expense), net	(22,618)	2,592	(34,675)	6,185
Income before income taxes	<u>\$ 87,200</u>	<u>\$ 91,241</u>	<u>\$ 194,596</u>	<u>\$ 309,905</u>

Capital expenditures and depreciation and amortization (related to both intangible assets and certain assets acquired in business combinations) by reportable segment are as follows:

	RMS	DSA	Manufacturing	Unallocated Corporate	Consolidated
	(in thousands)				
Capital Expenditures					
Three Months Ended:					
September 27, 2025	\$ 3,173	\$ 25,709	\$ 5,191	\$ 1,507	\$ 35,580
September 28, 2024	7,186	22,773	8,735	27	38,721
Nine Months Ended:					
September 27, 2025	\$ 14,099	\$ 78,730	\$ 33,631	\$ 3,742	\$ 130,202
September 28, 2024	36,543	91,176	28,180	1,452	157,351
Depreciation and amortization ⁽¹⁾					
Three Months Ended:					
September 27, 2025	\$ 21,939	\$ 44,001	\$ 17,377	\$ 1,847	\$ 85,164
September 28, 2024	18,389	47,751	20,298	1,760	88,198
Nine Months Ended:					
September 27, 2025	\$ 63,410	\$ 128,660	\$ 127,343	\$ 5,622	\$ 325,035
September 28, 2024	53,050	141,269	60,176	5,142	259,637

⁽¹⁾ Depreciation and amortization includes both inventory step up amortization expense and biological assets amortization expense.

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Revenue represents sales originating in entities physically located in the identified geographic area. Revenue by geographic area is as follows:

	U.S.	Europe	Canada	Asia Pacific	Other ⁽¹⁾	Consolidated
	(in thousands)					
Three Months Ended:						
September 27, 2025	\$ 537,605	\$ 277,690	\$ 116,809	\$ 51,664	\$ 21,084	\$ 1,004,852
September 28, 2024	559,277	267,123	127,088	45,009	11,266	1,009,763
Nine Months Ended:						
September 27, 2025	\$ 1,624,420	\$ 822,799	\$ 377,747	\$ 148,109	\$ 48,080	\$ 3,021,155
September 28, 2024	1,693,021	814,819	362,733	141,168	35,699	3,047,440

⁽¹⁾ The Other category represents operations located in Brazil, Israel, and Mauritius.

Long-lived assets consist of property, plant, and equipment, net. Long-lived assets by geographic area are as follows:

	U.S.	Europe	Canada	Asia Pacific	Other	Consolidated
	(in thousands)					
Long-lived assets						
September 27, 2025	\$ 888,989	\$ 446,629	\$ 153,670	\$ 61,551	\$ 40,786	\$ 1,591,625
December 28, 2024	941,621	412,967	147,039	66,046	36,341	1,604,014

4. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Cash paid for income taxes	\$ 92,691	\$ 94,609
Cash paid for interest	83,407	98,572
Non-cash investing activities:		
Purchases of Property, plant and equipment included in Accounts payable and Accrued liabilities	\$ 27,005	\$ 32,764
Assets acquired under finance leases	40	3,159

Cash, cash equivalents and restricted cash is included in the accompanying unaudited condensed consolidated balance sheets as follows:

	September 27, 2025	September 28, 2024
	(in thousands)	
Supplemental cash flow information:		
Cash and cash equivalents	\$ 207,097	\$ 210,171
Restricted cash included in Other current assets	573	323
Restricted cash included in Other assets	1,550	1,146
Cash, cash equivalents, and restricted cash, end of period	\$ 209,220	\$ 211,640

5. INVENTORY

Inventories

The composition of inventories is as follows:

	September 27, 2025	December 28, 2024
	(in thousands)	
Raw materials and supplies	\$ 39,312	\$ 43,041
Work in process	65,102	51,785
Finished products	198,136	183,718
Inventories	\$ 302,550	\$ 278,544

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Inventory step up amortization expense for the three months ended September 27, 2025 and September 28, 2024 was \$7.4 million and \$5.9 million, respectively. Inventory step up amortization expense for the nine months ended September 27, 2025 and September 28, 2024 was \$17.8 million and \$16.5 million, respectively.

6. PROPERTY, PLANT AND EQUIPMENT, NET

The composition of property, plant and equipment, net is as follows:

	September 27, 2025	December 28, 2024
	(in thousands)	
Land	\$ 71,720	\$ 71,736
Buildings ⁽¹⁾	1,082,139	1,069,667
Machinery and equipment ⁽¹⁾	1,054,834	1,029,424
Leasehold improvements	432,156	438,746
Furniture and fixtures	27,185	30,413
Computer hardware and software ⁽¹⁾	273,098	268,032
Vehicles ⁽¹⁾	7,294	6,800
Construction in progress	139,269	143,306
Total	3,087,695	3,058,124
Less: Accumulated depreciation	(1,496,070)	(1,454,110)
Property, plant and equipment, net	\$ 1,591,625	\$ 1,604,014

⁽¹⁾ These balances include assets under finance leases.

As of September 27, 2025, the Company included approximately \$20 million of certain property, plant and equipment primarily related to corporate assets as held for sale within Other assets on the unaudited condensed consolidated balance sheets.

Depreciation expense in the three months ended September 27, 2025 and September 28, 2024 was \$44.8 million and \$48.5 million, respectively. Depreciation expense in the nine months ended September 27, 2025 and September 28, 2024 was \$132.5 million and \$141.8 million, respectively.

Change in estimated useful lives

In accordance with its policy, the Company reviews the estimated useful lives of its property, plant and equipment on an ongoing basis. This review indicated that the actual lives of certain assets were longer than the estimated useful lives used for depreciation purposes in the Company's financial reporting. As a result, effective December 29, 2024, the first day of fiscal 2025, the Company changed certain estimates of the useful lives to better reflect the estimated periods during which these assets will remain in service. The estimated useful lives of machinery and equipment, which was previously 5 years increased to 7 years, and building improvements that was previously 10 years increased to 15 years. The effect of this change in estimate during the three and nine months ended September 27, 2025 reduced depreciation expense by \$4.5 million and \$13.6 million, increased net income available to Charles River Laboratories International, Inc. common shareholders by \$3.4 million and \$10.3 million and increased basic and diluted earnings per share by approximately \$0.07 and \$0.21, respectively.

7. VENTURE CAPITAL AND STRATEGIC EQUITY INVESTMENTS

Venture capital investments are summarized below:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Beginning balance	\$ 116,561	\$ 121,158
Capital contributions	11,655	16,205
Distributions	(6,153)	(20,324)
Gains (losses) and impairments	(10,277)	8,439
Foreign currency translation	2,804	466
Ending balance	\$ 114,590	\$ 125,944

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The Company also invests, with minority positions, directly in equity of predominantly privately held companies. Strategic investments are summarized below:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Beginning balance	\$ 101,789	\$ 122,653
Purchase of investments	3,041	1,600
Distributions	(2,845)	(5,000)
Gains (losses) and impairments	(23,678)	(9,430)
Foreign currency translation	1,738	220
Ending balance	<u>\$ 80,045</u>	<u>\$ 110,043</u>

Gains (losses) and impairments during the three and nine months ended September 27, 2025 primarily relate to \$17.4 million of impairments associated with three investments, which do not have a readily determinable fair value and are accounted for under the measurement alternative.

8. FAIR VALUE

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	September 27, 2025			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Other assets measured at fair value:				
Life insurance policies	\$ —	\$ 54,760	\$ —	\$ 54,760
Total assets measured at fair value	<u>\$ —</u>	<u>\$ 54,760</u>	<u>\$ —</u>	<u>\$ 54,760</u>
Accrued liabilities measured at fair value:				
Contingent consideration	\$ —	\$ —	\$ 28,065	\$ 28,065
Total liabilities measured at fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28,065</u>	<u>\$ 28,065</u>

The Company recognizes transfers between levels within the fair value hierarchy, if any, at the end of each quarter. During the nine months ended September 27, 2025, there were no transfers between levels.

	December 28, 2024			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Current assets measured at fair value:				
Cash equivalents	\$ —	\$ 30	\$ —	\$ 30
Other assets:				
Life insurance policies	—	48,152	—	48,152
Total assets measured at fair value	<u>\$ —</u>	<u>\$ 48,182</u>	<u>\$ —</u>	<u>\$ 48,182</u>
Accrued liabilities measured at fair value:				
Contingent consideration	\$ —	\$ —	\$ 25,000	\$ 25,000
Other long-term liabilities measured at fair value				
Contingent consideration	\$ —	\$ —	\$ 24,311	\$ 24,311
Total liabilities measured at fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 49,311</u>	<u>\$ 49,311</u>

During the year ended December 28, 2024, there were no transfers between levels.

Contingent Consideration

The following table provides a rollforward of the contingent consideration related to the Company's acquisitions.

	Nine Months Ended	
	September 27, 2025	September 28, 2024
(in thousands)		
Beginning balance	\$ 49,311	\$ 33,265
Payments	(25,000)	—
Adjustment of previously recorded contingent liability	3,754	6,628
Ending balance	<u>\$ 28,065</u>	<u>\$ 39,893</u>

The Company estimates the fair value of contingent consideration obligations through valuation models, such as probability-weighted and option pricing models, which incorporate probability adjusted assumptions and simulations related to the achievement of the milestones and the likelihood of making related payments. The unobservable inputs used in the fair value measurements include the probabilities of successful achievement of certain financial targets, forecasted results or targets, volatility, and discount rates. The remaining maximum potential payments are approximately \$30.0 million, of which the value accrued as of September 27, 2025 is \$28.1 million as the probability of achieving the maximum target is estimated to be 94%. The volatility and weighted average cost of capital is approximately 20% and 8%, respectively. Increases or decreases in these assumptions may result in a higher or lower fair value measurement, respectively.

Debt Instruments

The book value of the Company's revolving loans are variable rate loans carried at amortized cost which approximates the fair value. The fair value is based on significant other observable inputs, including current interest and foreign currency exchange rates, it is deemed to be Level 2 within the fair value hierarchy.

The book value of the Company's Senior Notes are fixed rate obligations carried at amortized cost. Fair value is based on quoted market prices as well as borrowing rates available to the Company. As the fair value is based on significant other observable outputs, it is deemed to be Level 2 within the fair value hierarchy. The book value, excluding issuance costs, and fair value of the Company's Senior Notes is summarized below:

	September 27, 2025		December 28, 2024	
	Book Value	Fair Value	Book Value	Fair Value
(in thousands)				
4.25% Senior Notes due 2028	\$ 500,000	\$ 487,550	\$ 500,000	\$ 473,750
3.75% Senior Notes due 2029	500,000	472,500	500,000	456,250
4.00% Senior Notes due 2031	500,000	463,600	500,000	441,250

9. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table provides a rollforward of the Company's goodwill:

	RMS	DSA ⁽¹⁾	Manufacturing ⁽²⁾	Total
	(in thousands)			
December 28, 2024	\$ 496,740	\$ 1,635,651	\$ 714,217	\$ 2,846,608
Divestitures	—	(4,000)	—	(4,000)
Foreign exchange	13,565	41,962	24,146	79,673
September 27, 2025	<u>\$ 510,305</u>	<u>\$ 1,673,613</u>	<u>\$ 738,363</u>	<u>\$ 2,922,281</u>

⁽¹⁾ DSA includes accumulated impairment losses of \$1 billion, which were recognized in fiscal years 2008 and 2010.

⁽²⁾ Manufacturing includes an accumulated impairment loss of \$215 million, which was recognized in fiscal year 2024.

As of the beginning of fiscal 2025, the Company has combined the Discovery Services and Safety Assessment reporting units into a single reporting unit consistent with recent changes to the DSA integrated operating structure.

The increase in goodwill during the nine months ended September 27, 2025 is primarily related to the effect of foreign exchange; partially offset by a divestiture of a site in the DSA reportable segment.

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Intangible Assets, Net

The following table displays intangible assets, net by major class:

	September 27, 2025			December 28, 2024		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
	(in thousands)					
Client relationships	\$ 1,528,202	\$ (992,424)	\$ 535,778	\$ 1,505,871	\$ (823,903)	\$ 681,968
Technology	141,307	(122,329)	18,978	139,335	(116,536)	22,799
Trademarks and trade names	12,100	(6,673)	5,427	11,827	(5,630)	6,197
Other	21,029	(10,118)	10,911	39,819	(27,383)	12,436
Intangible assets	\$ 1,702,638	\$ (1,131,544)	\$ 571,094	\$ 1,696,852	\$ (973,452)	\$ 723,400

The decrease in intangible assets for the nine months ended September 27, 2025 related primarily to the accelerated amortization of certain CDMO client relationships in the Biologics Solutions reporting unit, normal amortization over the useful lives, and a divestiture of a site in the DSA reportable segment.

Amortization expense of definite-lived intangible assets for three months ended September 27, 2025 and September 28, 2024 was \$27.4 million and \$32.4 million, respectively. Amortization expense of definite-lived intangible assets for nine months ended September 27, 2025 and September 28, 2024 was \$158.1 million and \$97.2 million, respectively. Amortization expense for the nine months ended September 27, 2025 includes \$71.0 million of accelerated amortization expense as a result of a decrease in the remaining useful life of certain client relationships due to a loss of key customers in 2025 which was identified in fiscal year 2024.

10. DEBT AND OTHER FINANCING ARRANGEMENTS

Long-term debt, net and finance leases consists of the following:

	September 27, 2025	December 28, 2024
	(in thousands)	
Revolving facility	\$ 665,472	\$ 714,948
4.25% Senior Notes due 2028	500,000	500,000
3.75% Senior Notes due 2029	500,000	500,000
4.00% Senior Notes due 2031	500,000	500,000
Other debt	7,879	15,603
Finance leases	28,054	28,444
Total debt and finance leases	2,201,405	2,258,995
Less:		
Current portion of long-term debt	54	155
Current portion of finance leases	2,582	2,774
Current portion of long-term debt and finance leases	2,636	2,929
Long-term debt and finance leases	2,198,769	2,256,066
Debt discount and debt issuance costs	(13,316)	(15,861)
Long-term debt, net and finance leases	\$ 2,185,453	\$ 2,240,205

As of September 27, 2025 and December 28, 2024, the weighted average interest rate on the Company's debt was 4.11% and 4.48%, respectively.

Revolving Credit Facility

The Company has a revolving credit facility "Credit Facility" that provides for up to \$2.0 billion of multi-currency revolving credit. The Credit Facility has a maturity date of December 2029, with no required scheduled payment before that date. The interest rates applicable to the revolving facility are equal to (A) for revolving loans denominated in U.S. dollars, at the Company's option, either the base rate (which is the higher of (1) the prime rate, (2) the federal funds rate plus 0.50%, or (3) the one-month adjusted SOFR rate plus 1.0%) or the adjusted SOFR rate, (B) for revolving loans denominated in euros, the adjusted EURIBOR rate and (C) for revolving loans denominated in sterling, the daily simple SONIA rate, in each case, plus an interest rate margin based upon the Company's leverage ratio.

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Letters of Credit

As of September 27, 2025 and December 28, 2024, the Company had \$22.0 million and \$22.4 million, respectively, in outstanding letters of credit.

11. EQUITY AND NONCONTROLLING INTERESTS

Earnings Per Share

The following table reconciles the numerator and denominator in the computations of basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
	(in thousands)			
Numerator:				
Net income	\$ 55,556	\$ 70,295	\$ 134,127	\$ 239,038
Less: Net income attributable to noncontrolling interests	1,134	638	1,910	2,340
Net income attributable to Charles River Laboratories International, Inc.	54,422	69,657	132,217	236,698
Calculation of net income per share attributable to Charles River Laboratories International, Inc. common shareholders				
Net income attributable to Charles River Laboratories International, Inc.	\$ 54,422	\$ 69,657	\$ 132,217	\$ 236,698
Less: Adjustment of redeemable noncontrolling interest ⁽¹⁾	—	379	—	1,081
Less: Incremental dividends attributable to noncontrolling interest holders ⁽²⁾	—	599	—	9,621
Net income available to Charles River Laboratories International, Inc. common shareholders	\$ 54,422	\$ 68,679	\$ 132,217	\$ 225,996
Denominator:				
Weighted-average shares outstanding - Basic	49,213	51,394	49,680	51,461
Effect of dilutive securities:				
Stock options, restricted stock units and performance share units	213	189	186	252
Weighted-average shares outstanding - Diluted	49,426	51,583	49,866	51,713
Anti-dilutive common stock equivalents ⁽³⁾⁽⁴⁾	1,131	746	1,057	505

⁽¹⁾ Represents adjustments of redeemable noncontrolling interest that impact retained earnings.

⁽²⁾ Represents incremental declared dividends attributable to Noveprim noncontrolling interest holders who are entitled to preferential dividends for fiscal year 2024.

⁽³⁾ Anti-dilutive common stock equivalents represent amounts outstanding related to employee stock options, RSUs and PSUs for all periods presented.

⁽⁴⁾ These common stock equivalents were outstanding for the periods presented, but were not included in the computation of diluted EPS for those periods because their inclusion would have had an anti-dilutive effect.

Treasury Shares

On August 2, 2024, the Company's Board of Directors authorized a \$1.0 billion stock repurchase program. During the nine months ended September 27, 2025, the Company repurchased 2.1 million shares of common stock for \$350.0 million under the stock repurchase program. As of September 27, 2025, the Company had \$549.3 million remaining on the authorized stock repurchase program.

On October 29, 2025, the Company's Board of Directors approved a new stock repurchase authorization of \$1.0 billion. This new authorization replaces the prior stock repurchase authorization of \$1.0 billion that had \$549.3 million remaining on the plan when it was terminated.

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The Company's stock-based compensation plans permit the netting of common stock upon vesting of RSUs and PSUs in order to satisfy individual statutory tax withholding requirements. The Company acquired 0.1 million shares during the nine months ended September 27, 2025 and September 28, 2024, for \$9.9 million and \$18.4 million, respectively, from such netting.

Accumulated Other Comprehensive Income (Loss)

Changes to each component of accumulated other comprehensive income (loss), net of income taxes, are as follows:

	Foreign Currency Translation Adjustment and Other	Pension and Other Post-Retirement Benefit Plans	Total
	(in thousands)		
December 28, 2024	\$ (261,471)	\$ (55,874)	\$ (317,345)
Other comprehensive income before reclassifications	153,369	1,327	154,696
Net current period other comprehensive income	153,369	1,327	154,696
Income tax expense	28,640	327	28,967
September 27, 2025	\$ (136,742)	\$ (54,874)	\$ (191,616)

Redeemable Noncontrolling Interests

The Company has held and continues to hold redeemable noncontrolling interests. Since the Company has the right to purchase, and the noncontrolling interest holders have the right to require the Company to purchase the remaining interest, which represents a derivative embedded within the equity instrument, the noncontrolling interest is classified in the mezzanine section of the unaudited condensed consolidated balance sheets, which is presented above the equity section and below liabilities.

The redeemable noncontrolling interests are measured at the greater of (i) the redemption amount or (ii) the historical value resulting from the original acquisition date fair value, increased or decreased for the noncontrolling interest's share of net income (loss), equity capital contributions and distributions. The fair value of the redeemable noncontrolling interest is determined using the income approach, with key assumptions being projected cash flows and discount rates based on market participant's weighted average cost of capital. To the extent redemption value exceeds carrying value, adjustments are recorded to additional paid-in capital, with any cumulative excess of redemption value over fair value recorded in retained earnings, which impacts net income available to common shareholders used in the calculation of earnings per common share.

Noveprim

The Company holds a 90% ownership interest in Noveprim. The Company has the right to purchase, and the noncontrolling interest holders have the right to sell, the remaining 10% equity interest at a fixed redemption value that ranges from \$47.0 million to \$54.0 million depending on when exercised. The Company has the call option right to purchase the remaining 10% equity up until one month after the sixth anniversary of closing the 41% equity stake (December 2029). On the first anniversary of the expiration of the call option (December 2030), a 12-month put option will be triggered giving the seller the right to require the Company to acquire the remaining shares of the seller for \$54.0 million. Additionally, during fiscal year 2024 the 10% noncontrolling interest holders were eligible to receive a dividend disproportionate to their equity ownership, of which the fair value of \$8.0 million as of the acquisition date was recorded within the redeemable noncontrolling interest. The redemption value is accreted to the put purchase price of \$54.0 million using the interest method through December 2030. As of September 27, 2025, the redemption value of \$40.5 million exceeded the carrying value, resulting in an adjustment to additional paid in capital of \$4.0 million for the nine months ended September 27, 2025. As of September 28, 2024, the redemption value of \$40.6 million exceeded both the carrying value and fair value, resulting in both an adjustment to additional paid in capital of \$7.2 million and an adjustment to retained earnings of \$1.1 million, respectively.

Other redeemable noncontrolling interest

In 2019, the Company acquired an 80% equity interest in a subsidiary, which included a 20% redeemable noncontrolling interest. In June 2022, the Company purchased an additional 10% interest in the subsidiary for \$15.0 million, resulting in a remaining noncontrolling interest of 10%. Beginning in 2024, the Company had the right to purchase, and the noncontrolling interest holders had the right to sell, the remaining 10% equity interest at its appraised value. The redemption value was measured at the greater of the appraised value or a predetermined floor. The amount that the Company could be required to pay to purchase the remaining 10% equity interest was not limited. As of March 30, 2024, the redemption value of \$12.0 million exceeded the carrying value, resulting in an adjustment to additional paid in capital of \$2.8 million. During the second quarter of fiscal 2024, the Company acquired the remaining 10% for \$12.0 million.

Vital River

The Company held a 92% ownership interest in Vital River, a commercial provider of research models and related services in China as of December 31, 2022. The Company had the right to purchase, and the noncontrolling interest holders had the right to sell, the remaining 8% equity interest at a contractually defined redemption value, subject to a redemption floor. The amount that the Company could be required to pay to purchase the remaining 8% equity interest was not limited. During fiscal year 2023, the Company acquired the remaining 8% for a total sale amount of \$24.4 million. The remaining purchase price payable of \$19.1 million was included in Accrued liabilities within the Company’s consolidated balance sheet as of December 28, 2024 and was paid during the first quarter of fiscal 2025.

Nonredeemable Noncontrolling Interest

The Company has an investment in an entity whose financial results are consolidated in the Company’s unaudited condensed consolidated financial statements, as it has the ability to exercise control over this entity. The interest of the noncontrolling party in this entity has been recorded as nonredeemable noncontrolling interest within Equity in the accompanying unaudited condensed consolidated balance sheets. The activity within the nonredeemable noncontrolling interest was not material during the three and nine months ended September 27, 2025 and September 28, 2024.

12. INCOME TAXES

The Company’s effective tax rates for the three months ended September 27, 2025 and September 28, 2024 were 36.3% and 23.0%, respectively. The Company’s effective tax rates for the nine months ended September 27, 2025 and September 28, 2024 were 31.1% and 22.9%, respectively. The increase in the effective tax rate for the three and nine months ended September 27, 2025 compared to the corresponding prior year periods were primarily attributable to an increase in net U.S. taxation of foreign operations, as well as the current and deferred impact of tax legislation enacted in the period in a foreign jurisdiction.

For the three months ended September 27, 2025, the Company’s unrecognized tax benefits increased by \$0.2 million to \$29.4 million, primarily due to increases in research and development tax credit reserves, offset by favorable foreign exchange movement. For the three months ended September 27, 2025, the amount of unrecognized income tax benefits that would impact the effective tax rate increased by \$0.8 million to \$25.0 million for the same reasons discussed above. The accrued interest on unrecognized tax benefits was \$2.6 million as of September 27, 2025. The Company estimates that it is reasonably possible that the unrecognized tax benefits will decrease by approximately \$7.5 million over the next twelve-month period, primarily due to audit settlements and expiring statutes of limitations.

The Company’s prepaid and accrued tax positions are as follows:

	September 27, 2025	December 28, 2024	Affected Line Item in the Unaudited Condensed Consolidated Balance Sheets
	(in thousands)		
Prepaid income tax	\$ 157,954	\$ 82,995	Other current assets
Accrued income taxes	55,368	31,872	Other current liabilities

The Company conducts business in a number of tax jurisdictions. As a result, it is subject to tax audits on a regular basis including, but not limited to, such major jurisdictions as the U.S., the U.K., China, France, Germany, and Canada. With few exceptions, the Company is no longer subject to U.S. and international income tax examinations for years before 2021.

On July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act ("OBBBA"), which includes several changes to U.S. federal income tax law, including accelerated tax depreciation, expensing of research and development, and the U.S. international inclusions. The Company has analyzed the impacts of the OBBBA and reflected them in the current period. The enactment of the OBBBA did not have a material impact to the tax rate for the three and nine months ended September 27, 2025.

The Company and certain of its subsidiaries have ongoing tax controversies in the U.S., Canada, France, Ireland, the U.K., and India. The Company does not anticipate resolution of these audits will have a material impact on its unaudited condensed consolidated financial statements.

13. RESTRUCTURING AND ASSET IMPAIRMENTS

The Company has undertaken restructuring actions impacting the reportable segments at various locations across North America, Europe and Asia to manage the Company through the current demand environment, including appropriately right-sizing the Company’s infrastructure, optimizing operations, and driving efficiency. This includes workforce right-sizing actions resulting in severance and transition costs; and costs related to the consolidation of facilities resulting in long-lived asset impairments (principally property, plant, and equipment and right-of-use assets), accelerated depreciation charges, and certain other costs. Generally, these actions are in response to recent macroeconomic impacts on the Company.

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The following table presents restructuring costs by reportable segment:

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
	(in thousands)			
RMS	\$ 5,824	\$ 4,965	\$ 14,667	\$ 22,580
DSA	4,530	13,866	38,148	24,123
Manufacturing	2,635	5,372	13,790	9,660
Unallocated corporate	4,294	6,443	6,723	9,237
Total	\$ 17,283	\$ 30,646	\$ 73,328	\$ 65,600

The following table presents restructuring costs as included within the Company's unaudited condensed consolidated statements of income:

	September 27, 2025			September 28, 2024		
	Severance and Transition Costs	Asset Impairments and Other Costs	Total	Severance and Transition Costs	Asset Impairments and Other Costs	Total
	(in thousands)					
Three Months Ended						
Cost of services provided (excluding amortization of intangible assets)	\$ 1,349	\$ 10,015	\$ 11,364	\$ 12,830	\$ 3,482	\$ 16,312
Cost of products sold (excluding amortization of intangible assets)	279	1,696	1,975	1,783	650	2,433
Selling, general and administrative	3,168	776	3,944	11,923	(22)	11,901
Total restructuring costs	\$ 4,796	\$ 12,487	\$ 17,283	\$ 26,536	\$ 4,110	\$ 30,646
Nine Months Ended						
Cost of services provided (excluding amortization of intangible assets)	\$ 7,739	\$ 49,639	\$ 57,378	\$ 20,510	\$ 6,516	\$ 27,026
Cost of products sold (excluding amortization of intangible assets)	447	4,354	4,801	2,530	11,134	13,664
Selling, general and administrative	8,751	2,398	11,149	18,430	6,480	24,910
Total restructuring costs	\$ 16,937	\$ 56,391	\$ 73,328	\$ 41,470	\$ 24,130	\$ 65,600

Rollforward of Restructuring Activities

The following table provides a rollforward for the Company's accrued restructuring costs related to all restructuring activities:

	Severance and Transition Costs			Asset Impairments		Other Costs		Total
	(in thousands)							
Nine Months Ended September 27, 2025								
Beginning balance	\$	24,469	\$	—	\$	875	\$	25,344
Expense		16,937		36,481		19,910		73,328
Payments / utilization		(27,398)		—		(19,067)		(46,465)
Other non-cash adjustments		—		(36,481)		(1,718)		(38,199)
Foreign currency adjustments		436		—		—		436
Ending Balance	\$	14,444	\$	—	\$	—	\$	14,444
Nine Months Ended September 28, 2024								
Beginning balance	\$	4,175	\$	—	\$	875	\$	5,050
Expense		41,470		15,999		8,131		65,600
Payments / utilization		(17,920)		—		(6,762)		(24,682)
Other non-cash adjustments		—		(15,999)		(1,369)		(17,368)
Foreign currency adjustments		57		—		—		57
Ending Balance	\$	27,782	\$	—	\$	875	\$	28,657

As of September 27, 2025 and December 28, 2024, \$14.4 million and \$25.3 million, respectively, of severance and other personnel related costs liabilities were included in accrued compensation and accrued liabilities within the Company's unaudited condensed consolidated balance sheets.

14. COMMITMENTS AND CONTINGENCIES

Litigation

On February 17, 2023, the Company received a grand jury subpoena requesting certain documents related to an investigation by the U.S. Department of Justice (DOJ) and the U.S. Fish and Wildlife Service (USFWS) into the Company's conduct regarding several shipments of non-human primates from Cambodia in late 2022 and early 2023 (the NHP Shipments). The DOJ also undertook a parallel civil investigation related to the NHP Shipments. As previously disclosed, the Company continued to care for the NHP Shipments during the pendency of the DOJ investigations. In July 2025, the Company was informed that USFWS had determined to clear the NHP Shipments for legal entry into the United States. The DOJ advised the Company in the third fiscal quarter of 2025 that both the grand jury investigation and the parallel civil investigation were closed.

On May 16, 2023, the Company received an inquiry from the Enforcement Division of the U.S. Securities and Exchange Commission (SEC) requesting it to voluntarily provide information, subsequently augmented with a document subpoena and additional inquiries, primarily related to the sourcing of non-human primates and related disclosures, and the Company is cooperating with the requests. The Company's Audit Committee has retained counsel to conduct an independent investigation into certain issues raised in the investigations, and that work is ongoing. The Company is not able to predict what action, if any, might be taken in the future by the SEC. The SEC has not provided the Company with any specific timeline or indication as to when the investigation will be concluded or resolved. The Company cannot predict the timing, outcome or possible impact of the investigation, including without limitation any potential fines, penalties or liabilities.

A putative securities class action (Securities Class Action) was filed on May 19, 2023 against the Company and a number of its current/former officers in the United States District Court for the District of Massachusetts. On August 31, 2023, the court appointed the State Teachers Retirement System of Ohio as lead plaintiff. An amended complaint was filed on November 14, 2023 that, among other things, included only James Foster, the Chief Executive Officer and David R. Smith, the former Chief Financial Officer as defendants along with the Company. The amended complaint asserts claims under §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (the Exchange Act) on behalf of a putative class of purchasers of Company securities from May 5, 2020 through February 21, 2023, alleging that certain of the Company's disclosures about its practices with respect to the importation of non-human primates made during the putative class period were materially false or misleading. On July 1, 2024, the court dismissed the complaint, denied the plaintiff's informal request for leave to amend, and entered judgment for defendants. On July 30, the plaintiff filed a notice of appeal in the United States Court of Appeals for the First Circuit. Oral arguments took place on May 5, 2025. On August 15, 2025, the U.S. Court of Appeals for the First Circuit reversed in part the district court's dismissal on the pleadings of the securities fraud claims. The case returned to U.S. District Court for the District

of Massachusetts. On October 16, 2025, the plaintiff filed a motion to withdraw the State Teachers Retirement System of Ohio as lead plaintiff, due to lack of statutory standing, and substitute Oklahoma Firefighters Pension and Retirement System. While the Company cannot predict the final outcome of this matter, it believes the class action to be without merit and plans to vigorously defend against it. The Company cannot reasonably estimate the maximum potential exposure or the range of possible loss in association with this matter.

On November 8, 2023, a stockholder filed a derivative lawsuit in the U.S. District Court of the District of Delaware asserting claims on the Company's behalf against the members of the Company's Board of Directors and certain of the Company's current/former officers (James Foster, the Chief Executive Officer; David R. Smith, a former Chief Financial Officer; and Flavia Pease, a former Chief Financial Officer). The complaint alleges that the defendants breached their fiduciary duties to the Company and its stockholders because certain of the Company's disclosures about its practices with respect to the importation of non-human primates were materially false or misleading. The complaint also alleges that the defendants breached their fiduciary duties by causing the Company to fail to maintain adequate internal controls over securities disclosure and compliance with applicable law and by failing to comply with the company's Code of Business Conduct and Ethics. On August 2, 2024, a different stockholder filed a lawsuit in the U.S. District Court of Delaware asserting similar derivative claims on the Company's behalf against members of the Company's current and former Board of Directors and the same current/former officers based on similar allegations of purportedly misleading disclosures and non-compliance with legal rules and ethics standards in respect of the importation of non-human primates, as well as insider-trading claims against certain of the defendants. Both of these lawsuits are currently stayed by agreement of the parties pending further developments in the Securities Class Action pending in the United States Court of Appeals for the First Circuit. While the Company cannot predict the outcome of these matters, it believes the derivative lawsuits to be without merit and plans to vigorously defend against them. The Company cannot reasonably estimate the maximum potential exposure or the range of possible loss in association with these matters.

Aside from the matters above, the Company believes there are no other matters pending against the Company that could have a material impact on the Company's business, financial condition, or results of operations.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and related notes of this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025. The following discussion contains forward-looking statements. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in Item 1A, “Risk Factors” included elsewhere within this Form 10-Q. Certain percentage changes may not recalculate due to rounding.

Overview

We are a leading, full service, non-clinical global drug development partner. For over 75 years, we have been in the business of providing the research models required in the research and development of new drugs, devices, and therapies. Over this time, we have built upon our original core competency of laboratory animal medicine and science (research model technologies) to develop a diverse portfolio of discovery and safety assessment services, both Good Laboratory Practice (GLP) and non-GLP, that supports our clients from target identification through non-clinical development. We also provide a suite of products and services to support our clients’ manufacturing activities. Utilizing our broad portfolio of products and services enables our clients to create a more efficient and flexible drug development model, which reduces their costs, enhances their productivity and effectiveness, and increases speed to market.

Our client base includes major global pharmaceutical companies, many biotechnology companies; agricultural and industrial chemical, life science, veterinary medicine, medical device, diagnostic and consumer product companies; contract research and contract manufacturing organizations; and other commercial entities, as well as leading hospitals, academic institutions, and government agencies around the world.

Segment Reporting

Our three reportable segments are Research Models and Services (RMS), Discovery and Safety Assessment (DSA), and Manufacturing Solutions (Manufacturing).

Our RMS reportable segment includes the products and services offered within Research Models, Research Model Services, and Cell Solutions. Research Models includes the commercial production and sale of small research models, as well as the supply of large research models. Research Model Services includes: Insourcing Solutions (IS), which provides colony management of our clients’ research operations (including recruitment, training, staffing, and management services) within our clients’ facilities as well as our own vivarium space, utilizing our Charles River Accelerator and Development Lab (CRADL™) offerings, Genetically Engineered Models and Services (GEMS), which performs contract breeding and other services associated with genetically engineered models; and Research Animal Diagnostic Services (RADS), which provides health monitoring and diagnostics services related to research models; and Cell Solutions which provides controlled, consistent, customized primary cells and blood components derived from normal and mobilized peripheral blood and bone marrow as well as cells from disease state donors.

Our DSA segment is comprised of Discovery and Safety Assessment services. We provide regulated and non-regulated DSA services to support the discovery, development, and regulatory-required safety testing of potential new drugs, including *in vitro* (non-animal) and *in vivo* (in research models) studies, laboratory support services, including bioanalytical and strategic non-clinical consulting and program management to support product development.

Our Manufacturing reportable segment includes Microbial Solutions, which provides *in vitro* lot-release testing products, microbial detection products, and species identification services and Biologics Solutions (Biologics), which performs specialized testing of biologics (Biologics Testing Solutions) as well as contract development and manufacturing products and services (CDMO).

Fiscal Quarters

Our fiscal year is typically based on 52-weeks, with each quarter composed of 13 weeks ending on the last Saturday on, or closest to, March 31, June 30, September 30, and December 31. A 53rd week in the fourth quarter of the fiscal year is occasionally necessary to align with a December 31 calendar year-end.

Global Market Environment

We are continuing to see a cautious spending environment from our client base, principally within our DSA segment related to our global biopharmaceutical and biotechnology clients, as they reassess their budgets, reprioritize their drug pipelines, and manage their cost structures. As we continue to navigate these challenges in the current macroeconomic environment, DSA backlog declined slightly to \$1.8 billion as of September 27, 2025 from \$2.0 billion as of December 28, 2024.

In response to recent trends observed across each of our businesses in the global market environment, we have undertaken and will continue to implement restructuring actions at various locations across North America, Europe and Asia. This includes workforce right-sizing actions, resulting in severance and transition costs; and costs related to the consolidation of facilities to optimize our global footprint and drive greater operating efficiency across the company, resulting in asset impairments, accelerated depreciation, and other site consolidation charges. During fiscal year 2023, we began taking restructuring actions as a result of these emerging business trends. We incurred restructuring charges of \$17.3 million and \$73.3 million, during the three and nine months ended September 27, 2025, respectively, and \$107.0 million and \$29.7 million during fiscal 2024 and fiscal 2023, respectively. We expect that these effectuated actions, as well as other upcoming planned actions designed to optimize our global footprint to drive greater operating efficiency, will result in approximately \$225 million of cost savings on an annualized basis, of which approximately \$175 million will impact fiscal year 2025.

Strategic Review

In November 2025, we announced as part of our Board of Directors' comprehensive strategic review of our business and growth prospects, that we will focus on strategic initiatives to strengthen our leading scientific portfolio within our core markets through strategic acquisitions, partnerships, and internal investments; divest certain underperforming or non-core assets, which represent approximately 7% of the Company's estimated 2025 revenue; maximize our financial performance, including by implementing additional initiatives aimed at driving greater operating efficiency, which are expected to generate incremental net cost savings of approximately \$70 million annually, which will be fully realized in 2026; and maintain a disciplined approach to capital deployment through regularly evaluating the optimal balance between strategic acquisitions, stock repurchases, debt repayment, and other uses of capital.

Recent Government Actions

On July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act ("OBBBA"), which includes changes to a broad range of tax reform provisions including accelerated tax depreciation, expensing of research and development, and the U.S. international inclusions. We have analyzed the impacts of the OBBBA and reflected them in the current period. The enactment of the OBBBA did not have a material impact to the tax rate for the three and nine months ended September 27, 2025.

In February 2025 the U.S. government announced plans to enact increased tariffs on Canada, China and Mexico, later broadening the increase to various countries within Europe, Africa and Asia. As of the date of this report, a number of new tariffs remain in effect, including tariffs between the U.S., and countries from which we obtain significant supply, such as Vietnam, Mauritius and China. The extent and duration of these tariffs and the resulting impact on macroeconomic conditions and our business are uncertain and may depend on various factors including, but not limited to, negotiations between the U.S. and affected countries, reciprocal or retaliatory actions imposed by other countries, tariff exemptions, negative sentiment toward U.S. companies and products, and the availability of lower cost inputs that may be sourced domestically. While we plan to offset most of the estimated tariffs by passing along these higher costs, we will continue to evaluate the nature and extent of the impacts to our business and our operating results.

In April 2025, the U.S. Food and Drug Administration (FDA) announced plans to launch a pilot program to reduce animal testing in preclinical safety studies with scientifically validated cell-based and new approach methodologies (NAMs), such as organ-on-a-chip systems, computational modeling, and advanced in vitro assays. We support the FDA's announcement as we believe the program aligns with the vision previously outlined in the FDA Modernization Act 2.0 and aims to develop a clearer regulatory pathway to streamline the drug development process and safely advance innovative technologies, including alternatives to the current animal based development process. As a leader in preclinical drug development, this vision is consistent with our long-standing mission to drive greater efficiency in the drug development process, enhance scientific innovation, and promote the responsible use of animals in biomedical research. We are continuously evaluating innovative approaches in drug development and have invested in virtual control groups for safety assessment studies and partnerships utilizing AI technologies to reduce animal use. Further, in April 2024, we launched our own Alternative Methods Advancement Project (AMAP), which is an initiative dedicated to developing alternatives to the use of animal testing within the drug development process. In October 2025, we announced the creation of a cross-functional Scientific Advisory Board to guide our strategic focus on NAMs. We remain committed to continuing to collaborate with regulatory agencies, including the FDA, the biopharmaceutical industry and other stakeholders, to help develop, validate, and implement an efficient process for our clients' regulatory submissions that support the use of new, non-animal based technologies.

U.S. Government Investigations into the Non-Human Primate Supply Chain

On May 16, 2023, we received an inquiry from the Enforcement Division of the U.S. Securities and Exchange Commission (SEC) requesting us to voluntarily provide information, subsequently augmented with a document subpoena and additional inquiries, primarily related to the sourcing of non-human primates and related disclosures, and we are cooperating with the requests. Our Audit Committee has retained counsel to conduct an independent investigation into certain issues raised in the investigations, and that work is ongoing. We are not able to predict what action, if any, might be taken in the future by the SEC. The SEC has not provided us with any specific timeline or indication as to when the investigation will be concluded or

resolved. We cannot predict the timing, outcome or possible impact of the investigation, including without limitation any potential fines, penalties or liabilities.

Results of Operations

Consolidated Results of Operations and Liquidity

Revenue for three months ended September 27, 2025 decreased \$4.9 million, or 0.5%, to \$1,004.9 million compared to \$1,009.8 million in the corresponding period in 2024. Revenue for nine months ended September 27, 2025 decreased \$26.3 million, or 0.9%, to \$3,021.2 million compared to \$3,047.4 million in the corresponding period in 2024. The decreases in revenue for the three and nine months ended September 27, 2025 was primarily attributable to declines in our DSA and Manufacturing businesses, which experienced lower volume driven by continued cautious client spending as a result of the demand environment; partially offset by higher revenue in our RMS business, primarily driven by Noveprim, when compared to the corresponding periods in 2024.

For the three months ended September 27, 2025, our operating income and operating income as a percentage of revenue were \$133.8 million and 13.3% respectively, compared to \$117.4 million and 11.6% respectively, in the corresponding period of 2024. The increases in operating income and operating income as a percentage of revenue for the three months ended September 27, 2025 were primarily driven by lower severance costs, coupled with lower unallocated corporate employee compensation and benefits related costs when compared to the corresponding period in 2024.

For the nine months ended September 27, 2025, our operating income and operating income as a percentage of revenue were \$308.6 million and 10.2% respectively, compared to \$395.0 million and 13.0% respectively, in the corresponding period of 2024. The decreases in operating income and operating income as a percentage of revenue for the nine months ended September 27, 2025 were primarily driven by the acceleration of amortization expense recognized as a result of a decrease in the remaining useful life of certain CDMO client relationships due to a loss of key customers, increased restructuring activities, including higher asset impairments and site consolidation charges, and higher third-party legal and advisory costs when compared to the corresponding period in 2024.

Net income available to Charles River Laboratories International, Inc., common shareholders decreased to \$54.4 million in the three months ended September 27, 2025, from \$68.7 million in the corresponding period of 2024. Net income available to Charles River Laboratories International, Inc., common shareholders decreased to \$132.2 million in the nine months ended September 27, 2025, from \$226.0 million in the corresponding period of 2024. The decrease in net income available to common shareholders for the three months ended September 27, 2025 was due principally to higher net losses and impairments on our venture capital and strategic equity investments; partially offset by the increase in operating income described above compared to the corresponding period in 2024. The decrease in net income available to common shareholders for the nine months ended September 27, 2025 was due principally to the decrease in operating income described above coupled with higher net losses and impairments on our venture capital and strategic equity investments compared to the corresponding period in 2024.

During the nine months ended September 27, 2025, our cash flows from operations were \$590.1 million compared with \$575.2 million for the same period in 2024. The increase was primarily driven by lower payments of variable compensation and favorable timing of payments to our suppliers and vendors, partially offset by higher purchases of inventory to support our DSA reportable segment.

Three Months Ended September 27, 2025 Compared to the Three Months Ended September 28, 2024

Revenue and Operating Income

The following tables present consolidated revenue by type and by reportable segment:

	Three Months Ended		\$ change	% change
	September 27, 2025	September 28, 2024		
(in thousands, except percentages)				
Service revenue	\$ 808,042	\$ 832,463	\$ (24,421)	(2.9)%
Product revenue	196,810	177,300	19,510	11.0 %
Total revenue	\$ 1,004,852	\$ 1,009,763	\$ (4,911)	(0.5)%

	Three Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
RMS	\$ 213,474	\$ 197,824	\$ 15,650	7.9 %	1.4 %
DSA	600,685	615,060	(14,375)	(2.3)%	1.2 %
Manufacturing	190,693	196,879	(6,186)	(3.1)%	2.0 %
Total revenue	\$ 1,004,852	\$ 1,009,763	\$ (4,911)	(0.5)%	1.3 %

The following table presents operating income by reportable segment:

	Three Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
RMS	\$ 34,553	\$ 27,544	\$ 7,009	25.4 %	3.6 %
DSA	123,153	126,436	(3,283)	(2.6)%	0.8 %
Manufacturing	39,926	40,188	(262)	(0.7)%	2.7 %
Unallocated corporate	(63,833)	(76,763)	12,930	(16.8)%	0.5 %
Total operating income	\$ 133,799	\$ 117,405	\$ 16,394	14.0 %	2.4 %
Operating income % of revenue	13.3 %	11.6 %		170 bps	

The following presents and discusses our consolidated financial results by each of our reportable segments:

RMS

	Three Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
Revenue	\$ 213,474	\$ 197,824	\$ 15,650	7.9 %	1.4 %
Cost of revenue (excluding amortization of intangible assets)	148,004	137,906	10,098	7.3 %	
Selling, general and administrative	24,934	26,453	(1,519)	(5.7)%	
Amortization of intangible assets	5,983	5,921	62	1.0 %	
Operating income	\$ 34,553	\$ 27,544	\$ 7,009	25.4 %	3.6 %
Operating income % of revenue	16.2 %	13.9 %		230 bps	

RMS revenue increased \$15.7 million primarily driven by an increase in large research model product revenue, notably from Noveprim and within China, and the effect of changes in foreign currency exchange rates.

RMS operating income increased \$7.0 million compared to the corresponding period in 2024. RMS operating income as a percentage of revenue for the three months ended September 27, 2025 was 16.2%, an increase of 230 bps from 13.9% for the corresponding period in 2024. Operating income and operating income as a percentage of revenue increased primarily due to the increase in revenue described above; partially offset by an increase in cost of revenue related to the amortization of an inventory step up and certain biological assets from the Noveprim acquisition compared to the corresponding period in 2024.

DSA

	Three Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
Revenue	\$ 600,685	\$ 615,060	\$ (14,375)	(2.3)%	1.2 %
Cost of revenue (excluding amortization of intangible assets)	408,112	409,684	(1,572)	(0.4)%	
Selling, general and administrative	56,266	63,260	(6,994)	(11.1)%	
Amortization of intangible assets	13,154	15,680	(2,526)	(16.1)%	
Operating income	\$ 123,153	\$ 126,436	\$ (3,283)	(2.6)%	0.8 %
Operating income % of revenue	20.5 %	20.6 %		(10) bps	

DSA revenue decreased \$14.4 million primarily due to lower volume driven by continued cautious client spending as a result of the current demand environment; partially offset by the effect of changes in foreign currency exchange rates compared to the corresponding period in 2024.

DSA operating income decreased \$3.3 million during the three months ended September 27, 2025 compared to the corresponding period in 2024. DSA operating income as a percentage of revenue for the three months ended September 27, 2025 was 20.5%, a decrease of 10 bps from 20.6% for the corresponding period in 2024. Operating income and operating income as a percentage of revenue decreased primarily due to the lower revenue described above, partially offset by lower severance costs, compared to the corresponding period in 2024.

Manufacturing

	Three Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
Revenue	\$ 190,693	\$ 196,879	\$ (6,186)	(3.1)%	2.0 %
Cost of revenue (excluding amortization of intangible assets)	109,944	113,152	(3,208)	(2.8)%	
Selling, general and administrative	32,556	32,737	(181)	(0.6)%	
Amortization of intangible assets	8,267	10,802	(2,535)	(23.5)%	
Operating income	\$ 39,926	\$ 40,188	\$ (262)	(0.7)%	2.7%
Operating income % of revenue	20.9 %	20.4 %		50 bps	

Manufacturing revenue decreased \$6.2 million primarily due to decreased revenue in our Biologics Solutions business, driven by decreased demand for CDMO and Biologics Testing services; partially offset by increased revenue in our Microbial Solutions business driven by higher product revenue associated with endotoxin product revenue and identification services revenue and the effect of foreign currency exchange rates.

Manufacturing operating income decreased \$0.3 million during the three months ended September 27, 2025 compared to the corresponding period in 2024. Manufacturing operating income as a percentage of revenue for the three months ended September 27, 2025 was 20.9%, an increase of 50 bps from 20.4% for the corresponding period in 2024. Operating income decreased primarily due the lower revenue described above; partially offset by lower amortization related to acquisitions and severance charges compared to the corresponding period in 2024. Operating income as a percentage of revenue increased primarily due to lower severance charges and amortization related to acquisitions compared to the corresponding period in 2024.

Unallocated Corporate

	Three Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
	(in thousands, except percentages)				
Unallocated corporate	\$ 63,833	\$ 76,763	\$ (12,930)	(16.8)%	0.5 %
Unallocated corporate % of revenue	6.4 %	7.6 %		(120) bps	

Unallocated corporate costs consist of selling, general and administrative expenses that are not directly related or allocated to the reportable segments. The decrease in unallocated corporate costs of \$12.9 million, or 16.8%, compared to the corresponding period in 2024 is primarily due to lower employee compensation and benefits related costs. Costs as a percentage of revenue for the three months ended September 27, 2025 was 6.4%, a decrease of 120 bps from 7.6% for the corresponding period in 2024.

Other Income (Expense)

	Three Months Ended		\$ change	% change
	September 27, 2025	September 28, 2024		
	(in thousands, except percentages)			
Other income (expense):				
Interest income	\$ 1,422	\$ 1,528	\$ (106)	(6.9)%
Interest expense	(25,403)	(30,284)	4,881	(16.1)%
Other income (expense), net	(22,618)	2,592	(25,210)	(972.6)%
Total other expense, net	<u>\$ (46,599)</u>	<u>\$ (26,164)</u>	<u>\$ (20,435)</u>	78.1 %

Interest income for the three months ended September 27, 2025 was \$1.4 million, a decrease of \$0.1 million, or 6.9%, driven primarily from lower interest rates and interest-earning asset balances.

Interest expense for the three months ended September 27, 2025 was \$25.4 million, a decrease of \$4.9 million, or 16.1%, compared to \$30.3 million in the corresponding period in 2024 due primarily to lower average debt balances.

Other expense, net for the three months ended September 27, 2025 was \$22.6 million compared to Other income, net of \$2.6 million for the corresponding period in 2024 primarily due to \$21.1 million of net losses and impairments on our venture capital and strategic equity investments compared to \$2.5 million of net gains in the corresponding period in 2024.

Income Taxes

	Three Months Ended		\$ change	% change
	September 27, 2025	September 28, 2024		
	(in thousands, except percentages)			
Provision for income taxes	\$ 31,644	\$ 20,946	\$ 10,698	51.1 %
Effective tax rate	36.3 %	23.0 %		1,330 bps

Income tax expense for the three months ended September 27, 2025 was \$31.6 million, an increase of \$10.7 million compared to \$20.9 million for the corresponding period in 2024. Our effective tax rate was 36.3% for the three months ended September 27, 2025 compared to 23.0% for the corresponding period in 2024. The increase in our effective tax rate in the three months ended September 27, 2025 compared to the corresponding period in 2024 was primarily attributable to an increase in net U.S. taxation of foreign operations, as well as the current and deferred impact of tax legislation enacted in the third quarter of fiscal 2025 in a foreign jurisdiction.

Nine Months Ended September 27, 2025 Compared to Nine Months Ended September 28, 2024

Revenue and Operating Income

The following tables present consolidated revenue by type and by reportable segment:

	Nine Months Ended		\$ change	% change
	September 27, 2025	September 28, 2024		
	(in thousands, except percentages)			
Service revenue	\$ 2,446,801	\$ 2,492,225	\$ (45,424)	(1.8)%
Product revenue	574,354	555,215	19,139	3.4 %
Total revenue	\$ 3,021,155	\$ 3,047,440	\$ (26,285)	(0.9)%

	Nine Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
	(in thousands, except percentages)				
RMS	\$ 639,818	\$ 625,120	\$ 14,698	2.4 %	0.5 %
DSA	1,811,323	1,847,931	(36,608)	(2.0)%	0.5 %
Manufacturing	570,014	574,389	(4,375)	(0.8)%	0.7 %
Total revenue	\$ 3,021,155	\$ 3,047,440	\$ (26,285)	(0.9)%	0.5 %

The following table presents operating income by reportable segment:

	Nine Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
	(in thousands, except percentages)				
RMS	\$ 113,944	\$ 100,641	\$ 13,303	13.2 %	0.9 %
DSA	339,886	379,651	(39,765)	(10.5)%	1.5 %
Manufacturing	43,367	111,099	(67,732)	(61.0)%	0.7 %
Unallocated corporate	(188,595)	(196,357)	7,762	(4.0)%	0.2 %
Total operating income	\$ 308,602	\$ 395,034	\$ (86,432)	(21.9)%	1.8 %
Operating income % of revenue	10.2 %	13.0 %		(280) bps	

The following presents and discusses our consolidated financial results by each of our reportable segments:

RMS

	Nine Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
	(in thousands, except percentages)				
Revenue	\$ 639,818	\$ 625,120	\$ 14,698	2.4 %	0.5 %
Cost of revenue (excluding amortization of intangible assets)	430,435	421,773	8,662	2.1 %	
Selling, general and administrative	77,509	84,943	(7,434)	(8.8)%	
Amortization of intangible assets	17,930	17,763	167	0.9 %	
Operating income	\$ 113,944	\$ 100,641	\$ 13,303	13.2 %	0.9 %
Operating income % of revenue	17.8 %	16.1 %		170 bps	

RMS revenue increased \$14.7 million primarily driven by increases in large research model product revenue, notably from Noveprim, small model product revenue in Europe and China, GEMS and Insourcing Solutions service revenue, and the effect of changes in foreign currency exchange rates; partially offset by a decrease in Cell Supply product revenue.

RMS operating income increased \$13.3 million compared to the corresponding period in 2024. RMS operating income as a percentage of revenue for the nine months ended September 27, 2025 was 17.8%, an increase of 170 bps from 16.1% for the corresponding period in 2024. Operating income and operating income as a percentage of revenue increased primarily due to the higher revenue described above, lower charges related to restructuring activities, including asset impairments and site

consolidation charges; partially offset by an increase in cost of revenue related to the amortization of an inventory step up and certain biological assets from the Noveprim acquisition compared to the corresponding period in 2024.

DSA

	Nine Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
Revenue	\$ 1,811,323	\$ 1,847,931	\$ (36,608)	(2.0)%	0.5 %
Cost of revenue (excluding amortization of intangible assets)	1,250,162	1,246,560	3,602	0.3 %	
Selling, general and administrative	181,829	174,598	7,231	4.1 %	
Amortization of intangible assets	39,446	47,122	(7,676)	(16.3)%	
Operating income	\$ 339,886	\$ 379,651	\$ (39,765)	(10.5)%	1.5 %
Operating income % of revenue	18.8 %	20.5 %		(170) bps	

DSA revenue decreased \$36.6 million primarily due to lower volume driven by continued cautious client spending as a result of the current demand environment, partially offset by the effect of changes in foreign currency exchange rates.

DSA operating income decreased \$39.8 million compared to the corresponding period in 2024. DSA operating income as a percentage of revenue for the nine months ended September 27, 2025 was 18.8%, a decrease of 170 bps from 20.5% for the corresponding period in 2024. Operating income and operating income as a percentage of revenue decreased primarily due to the lower revenue described above, increased restructuring activities, including asset impairments and site consolidation charges, and certain third-party legal costs incurred in connection with the investigations by the U.S. government into the non-human primate supply chain; partially offset by lower severance costs and a decrease in amortization expense, as compared to the corresponding period in 2024.

Manufacturing

	Nine Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
(in thousands, except percentages)					
Revenue	\$ 570,014	\$ 574,389	\$ (4,375)	(0.8)%	0.7 %
Cost of revenue (excluding amortization of intangible assets)	326,967	331,530	(4,563)	(1.4)%	
Selling, general and administrative	99,004	99,397	(393)	(0.4)%	
Amortization of intangible assets	100,676	32,363	68,313	211.1 %	
Operating income	\$ 43,367	\$ 111,099	\$ (67,732)	(61.0)%	0.7 %
Operating income % of revenue	7.6 %	19.3 %		(1,170) bps	

Manufacturing revenue decreased \$4.4 million primarily due to decreased revenue in our Biologics Solutions business, driven by decreased demand for CDMO and Biologics Testing services; partially offset by an increase in our Microbial Solutions business driven by higher product revenue associated with endotoxin product revenue and identification services revenue and the effect of changes in foreign currency exchange rates.

Manufacturing operating income decreased \$67.7 million compared to the corresponding period in 2024. Manufacturing operating income as a percentage of revenue for the nine months ended September 27, 2025 was 7.6%, a decrease of 1,170 bps from 19.3% for the corresponding period in 2024. Operating income and operating income as a percentage of revenue decreased primarily due to accelerated amortization expense as a result of a decrease in the remaining useful life of certain client relationships due to a loss of key customers within the CDMO business and restructuring activities, including asset impairments and site consolidation charges, and due to the lower revenue described above compared to the corresponding period in 2024.

Unallocated Corporate

	Nine Months Ended		\$ change	% change	Impact of FX
	September 27, 2025	September 28, 2024			
	(in thousands, except percentages)				
Unallocated corporate	\$ 188,595	\$ 196,357	\$ (7,762)	(4.0)%	0.2 %
Unallocated corporate % of revenue	6.2 %	6.4 %		(20) bps	

Unallocated corporate costs consist of selling, general and administrative expenses that are not directly related or allocated to the reportable segments. The decrease in unallocated corporate costs of \$7.8 million, or 4.0%, compared to the corresponding period in 2024 is primarily due to lower employee compensation and benefits related costs; partially offset by higher third-party legal and advisory costs incurred in connection with execution of a Cooperation Agreement entered into with a shareholder earlier this year. Costs as a percentage of revenue for the nine months ended September 27, 2025 were 6.2%, a decrease of 20 bps from 6.4% for the corresponding period in 2024.

Other Income (Expense)

	Nine Months Ended		\$ change	% change
	September 27, 2025	September 28, 2024		
	(in thousands, except percentages)			
Other income (expense):				
Interest income	\$ 3,923	\$ 6,740	\$ (2,817)	(41.8)%
Interest expense	(83,254)	(98,054)	14,800	(15.1)%
Other income (expense), net	(34,675)	6,185	(40,860)	(660.6)%
Total other expense, net	\$ (114,006)	\$ (85,129)	\$ (28,877)	33.9 %

Interest income for the nine months ended September 27, 2025 was \$3.9 million, a decrease of \$2.8 million, or 41.8%, driven primarily from lower interest rates and interest earning asset balances.

Interest expense for the nine months ended September 27, 2025 was \$83.3 million, a decrease of \$14.8 million, or 15.1%, compared to \$98.1 million in the corresponding period in 2024 due primarily to lower average debt balances.

Other expense, net for the nine months ended September 27, 2025 was \$34.7 million compared to Other income, net of \$6.2 million for the corresponding period in 2024 due primarily to venture capital investment losses and impairments of \$10.3 million as compared to gains of \$8.4 million coupled with strategic equity investment losses and impairments of \$23.7 million as compared to \$9.4 million of net losses and impairments in the corresponding period in 2024.

Income Taxes

	Nine Months Ended		\$ change	% change
	September 27, 2025	September 28, 2024		
	(in thousands, except percentages)			
Provision for income taxes	\$ 60,469	\$ 70,867	\$ (10,398)	(14.7)%
Effective tax rate	31.1 %	22.9 %		820 bps

Income tax expense for the nine months ended September 27, 2025 was \$60.5 million, a decrease of \$10.4 million compared to \$70.9 million for the corresponding period in 2024. Our effective tax rate was 31.1% for the nine months ended September 27, 2025 compared to 22.9% for the corresponding period in 2024. The increase in our effective tax rate in the nine months ended September 27, 2025 compared to the corresponding period in 2024 was primarily attributable to an increase in net U.S. taxation of foreign operations, as well as the current and deferred impact of tax legislation enacted in the third quarter of fiscal 2025 in a foreign jurisdiction.

Liquidity and Capital Resources

Liquidity and Cash Flows

In general we require cash to fund our working capital needs, capital expansion, acquisitions, debt payments, lease payments, venture capital and strategic equity investments, restructuring initiatives, and pension obligations. Our principal sources of liquidity have been our cash flows from operations supplemented by long-term borrowings. Based on our current business plan, we believe that our existing funds, when combined with cash generated from operations and our access to financing resources, are sufficient to fund our operations for the foreseeable future.

The following table presents our cash, cash equivalents and short-term investments:

	September 27, 2025	December 28, 2024
	(in thousands)	
Cash and cash equivalents:		
Held in U.S. entities	\$ 7,255	\$ 4,219
Held in non-U.S. entities	199,842	190,387
Total cash and cash equivalents	207,097	194,606
Short-term investments:		
Held in non-U.S. entities	65	62
Total cash, cash equivalents and short-term investments	\$ 207,162	\$ 194,668

The following table presents our net cash provided by operating activities:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Net income	\$ 134,127	\$ 239,038
Adjustments to reconcile net income to net cash provided by operating activities	448,690	324,110
Changes in assets and liabilities	7,309	12,067
Net cash provided by operating activities	\$ 590,126	\$ 575,215

Net cash provided by cash flows from operating activities represents the cash receipts and disbursements related to all of our activities other than investing and financing activities. Operating cash flow is derived by adjusting our net income for (1) non-cash operating items such as depreciation and amortization, stock-based compensation, goodwill impairment, debt financing costs, deferred income taxes, write downs of inventories, provisions of credit losses, long-lived asset impairment changes, gains and/or losses on venture capital and strategic equity investments, gains and/or losses on divestitures, changes in fair value of contingent consideration, as well as (2) changes in operating assets and liabilities, which reflect timing differences between the receipt and payment of cash associated with transactions and when they are recognized in our results of operations.

During the nine months ended September 27, 2025, our cash flows from operations were \$590.1 million compared with \$575.2 million for the same period in 2024. The increase was primarily driven by lower payments of variable compensation and favorable timing of payments to our suppliers and vendors, partially offset by higher purchases of inventory to support our DSA reportable segment.

The following table presents our net cash used in investing activities:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Capital expenditures	\$ (130,202)	\$ (157,351)
Investments, net	(6,907)	(5,794)
Proceeds from sale of businesses and assets, net	17,441	—
Acquisition of businesses and assets, net of cash acquired	—	(5,479)
Other, net	3,154	(358)
Net cash used in investing activities	\$ (116,514)	\$ (168,982)

Investing activities primarily consist of cash used to fund capital expenditures to support the growth of our business, purchases and sales of investments related to our venture capital and strategic equity investment portfolios, and asset and business acquisitions, periodically offset by cash from divestitures.

For the nine months ended September 27, 2025, cash used in investing activities was primarily driven by capital expenditures partially offset by proceeds from divestitures of certain site and business assets. Capital expenditures decreased for the nine months ended September 27, 2025 as compared to the same period in 2024, as a result of disciplined spend management in light of the global economic environment.

For the nine months ended September 28, 2024, cash used in investing activities was primarily driven by capital expenditures, an immaterial asset acquisition, and net purchases and sales in investments related to certain venture capital and strategic equity investments.

The following table presents our net cash used in financing activities:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Proceeds from long-term debt and revolving credit facility	\$ 1,070,861	\$ 976,783
Payments on long-term debt, revolving credit facility, and finance lease obligations	(1,141,500)	(1,316,990)
Proceeds from exercises of stock options	3	23,110
Purchase of treasury stock	(360,577)	(119,051)
Payment of contingent consideration	(21,822)	—
Purchase of remaining equity interest of other redeemable noncontrolling interest	(19,140)	(12,000)
Other, net	(12,687)	(26,900)
Net cash used in financing activities	<u>\$ (484,862)</u>	<u>\$ (475,048)</u>

Financing activities primarily consist of the proceeds and repayments of debt and certain equity related transactions including treasury stock purchases and employee stock option exercises.

For the nine months ended September 27, 2025, net cash used in financing activities was primarily driven by the following activity:

- Net repayments of \$60.5 million from our Credit Facility
- Treasury stock purchases of \$350.0 million associated with our stock repurchase program and \$9.9 million due to the netting of common stock upon vesting of stock-based awards in order to satisfy individual statutory tax withholding requirements
- Payment of \$21.8 million associated with contingent consideration related to the acquisition of Noveprim
- Payment of \$19.1 million for the remaining 8% equity interest in Vital River

For the nine months ended September 28, 2024, net cash used in financing activities was primarily driven by the following activity:

- Net repayments of \$346.2 million from our Credit Facility
- Treasury stock purchases of \$100.7 million associated with our stock repurchase program and \$18.4 million due to the netting of common stock upon vesting of stock-based awards in order to satisfy individual statutory tax withholding requirements
- Net proceeds from exercises of employee stock options of \$23.1 million
- Net dividend payments to noncontrolling interest holders of \$14.5 million
- Payment of \$12.0 million for the remaining 10% equity interest in an other redeemable noncontrolling interest

Financing and Market Risk

We are exposed to market risk from changes in interest rates and currency exchange rates, which could affect our future results of operations and financial condition. We manage our exposure to these risks through our regular operating and financing activities.

Amounts outstanding under our Credit Facility and our Senior Notes were as follows:

	September 27, 2025	December 28, 2024
	(in thousands)	
Revolving facility	\$ 665,472	\$ 714,948
4.25% Senior Notes due 2028	500,000	500,000
3.75% Senior Notes due 2029	500,000	500,000
4.00% Senior Notes due 2031	500,000	500,000
Total	<u>\$ 2,165,472</u>	<u>\$ 2,214,948</u>

The Credit Facility provides for up to \$2.0 billion of multi-currency revolving credit and has a maturity date of December 2029, with no required scheduled payment before that date. The interest rates applicable to the revolving facility are equal to (A) for revolving loans denominated in U.S. dollars, at our option, either the base rate (which is the higher of (1) the prime rate, (2) the federal funds rate plus 0.50%, or (3) the one-month adjusted SOFR rate plus 1.0%) or the adjusted SOFR rate, (B) for revolving loans denominated in euros, the adjusted EURIBOR rate and (C) for revolving loans denominated in sterling, the daily simple SONIA rate, in each case, plus an interest rate margin based upon our leverage ratio.

Our off-balance sheet commitments related to our outstanding letters of credit as of September 27, 2025 and December 28, 2024 were \$22.0 million and \$22.4 million, respectively.

Foreign Currency Exchange Rate Risk

We operate on a global basis and have exposure to foreign currency exchange rate fluctuations for our financial position, results of operations, and cash flows.

While the financial results of our global activities are reported in U.S. dollars, our foreign subsidiaries typically conduct their operations in their respective local currency. The principal functional currencies of our foreign subsidiaries are the Euro, British Pound, Canadian Dollar, Chinese Yuan Renminbi, and Mauritian Rupee. During the nine months ended September 27, 2025, the most significant drivers of foreign currency translation adjustment we recorded as part of Other comprehensive income (loss) were the Euro, British Pound, Canadian Dollar, Hungarian Forint, and Mauritian Rupee.

Fluctuations in the foreign currency exchange rates of the countries in which we do business will affect our financial position, results of operations, and cash flows. As the U.S. dollar strengthens against other currencies, the value of our non-U.S. revenue, expenses, assets, liabilities, and cash flows will generally decline when reported in U.S. dollars. The impact to net income as a result of a U.S. dollar strengthening will be partially mitigated by the value of non-U.S. expenses, which will decline when reported in U.S. dollars. As the U.S. dollar weakens versus other currencies, the value of the non-U.S. revenue, expenses, assets, liabilities, and cash flows will generally increase when reported in U.S. dollars. For the nine months ended September 27, 2025, our revenue would have decreased by \$99.8 million, and our operating income would have decreased by \$3.9 million, if the U.S. dollar exchange rate had strengthened by 10%, with all other variables held constant.

We attempt to minimize this exposure by using certain financial instruments in accordance with our overall risk management and our hedge policy. We do not enter into speculative derivative agreements.

Repurchases of Common Stock

During the nine months ended September 27, 2025, we repurchased 2.1 million shares of common stock for \$350.0 million under the stock repurchase program. As of September 27, 2025, we had \$549.3 million remaining on the authorized \$1.0 billion stock repurchase program. On October 29, 2025, our Board of Directors approved a new stock repurchase authorization of \$1.0 billion. This new authorization replaces the prior stock repurchase authorization of \$1.0 billion that had \$549.3 million remaining on the plan when it was terminated.

Additionally, our stock-based compensation plans permit the netting of common stock upon vesting of restricted stock, restricted stock units, and performance share units in order to satisfy individual statutory tax withholding requirements. During the nine months ended September 27, 2025, we acquired 0.1 million shares for \$9.9 million through such netting.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements prepared in accordance with generally accepted accounting principles in the U.S. The preparation of these financial

statements requires us to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses during the reported periods, and the related disclosures. These estimates and assumptions are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on our historical experience, trends in the industry, and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

We believe that the application of our accounting policies, each of which require significant judgments and estimates on the part of management, are the most critical to aid in fully understanding and evaluating our reported financial results. Our significant accounting policies are more fully described in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025. There have been no changes in the Company’s critical accounting policies during the nine months ended September 27, 2025.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements please refer to Note 1, “Basis of Presentation,” in this Quarterly Report on Form 10-Q. Other than as discussed in Note 1, “Basis of Presentation,” we did not adopt any other new accounting pronouncements during the nine months ended September 27, 2025 that had a significant effect on our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company’s exposure to market risk from changes in interest rates and currency exchange rates has not changed materially from its exposure discussed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2024 as filed with the SEC on February 19, 2025. Our interest rate and currency exchange rate risks are fully described in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources” of our Annual Report on Form 10-K for fiscal year 2024 and in Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources” herein.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Based on their evaluation, required by paragraph (b) of Rules 13a-15 or 15d-15, promulgated by the Securities Exchange Act of 1934, as amended (Exchange Act), the Company’s principal executive officer and principal financial officer have concluded that the Company’s disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, are effective, at a reasonable assurance level, as of September 27, 2025, to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of our controls and procedures relative to their costs.

(b) Changes in Internal Controls Over Financial Reporting

There were no material changes in the Company’s internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of the Exchange Act Rules 13a-15 or 15d-15 that occurred during the quarter ended September 27, 2025 that materially affected, or were reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On May 16, 2023, the Company received an inquiry from the Enforcement Division of the U.S. Securities and Exchange Commission (SEC) requesting it to voluntarily provide information, subsequently augmented with a document subpoena and additional inquiries, primarily related to the sourcing of non-human primates and related disclosures, and the Company is cooperating with the requests. The Company's Audit Committee has retained counsel to conduct an independent investigation into certain issues raised in the investigations, and that work is ongoing. We are not able to predict what action, if any, might be taken in the future by the SEC. The SEC has not provided the Company with any specific timeline or indication as to when the investigation will be concluded or resolved. The Company cannot predict the timing, outcome or possible impact of the investigation, including without limitation any potential fines, penalties or liabilities.

A putative securities class action (Securities Class Action) was filed on May 19, 2023 against the Company and a number of its current/former officers in the United States District Court for the District of Massachusetts. On August 31, 2023, the court appointed the State Teachers Retirement System of Ohio as lead plaintiff. An amended complaint was filed on November 14, 2023 that, among other things, included only James Foster, the Chief Executive Officer and David R. Smith, the former Chief Financial Officer as defendants along with the Company. The amended complaint asserts claims under §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (the Exchange Act) on behalf of a putative class of purchasers of Company securities from May 5, 2020 through February 21, 2023, alleging that certain of the Company's disclosures about its practices with respect to the importation of non-human primates made during the putative class period were materially false or misleading. On July 1, 2024, the court dismissed the complaint, denied the plaintiff's informal request for leave to amend, and entered judgment for defendants. On July 30, the plaintiff filed a notice of appeal in the United States Court of Appeals for the First Circuit. Oral arguments took place on May 5, 2025. On August 15, 2025, the U.S. Court of Appeals for the First Circuit reversed in part the district court's dismissal on the pleadings of the securities fraud claims. The case returned to U.S. District Court for the District of Massachusetts. On October 16, 2025, the plaintiff filed a motion to withdraw the State Teachers Retirement System of Ohio as lead plaintiff, due to lack of statutory standing, and substitute Oklahoma Firefighters Pension and Retirement System. While the Company cannot predict the final outcome of this matter, it believes the class action to be without merit and plans to vigorously defend against it. The Company cannot reasonably estimate the maximum potential exposure or the range of possible loss in association with this matter.

On November 8, 2023, a stockholder filed a derivative lawsuit in the U.S. District Court of the District of Delaware asserting claims on the Company's behalf against the members of the Company's Board of Directors and certain of the Company's current/former officers (James Foster, the Chief Executive Officer; David R. Smith, a former Chief Financial Officer; and Flavia Pease, a former Chief Financial Officer). The complaint alleges that the defendants breached their fiduciary duties to the Company and its stockholders because certain of the Company's disclosures about its practices with respect to the importation of non-human primates were materially false or misleading. The complaint also alleges that the defendants breached their fiduciary duties by causing the Company to fail to maintain adequate internal controls over securities disclosure and compliance with applicable law and by failing to comply with the company's Code of Business Conduct and Ethics. On August 2, 2024, a different stockholder filed a lawsuit in the U.S. District Court of Delaware asserting similar derivative claims on the Company's behalf against members of the Company's current and former Board of Directors and the same current/former officers based on similar allegations of purportedly misleading disclosures and non-compliance with legal rules and ethics standards in respect of the importation of non-human primates, as well as insider-trading claims against certain of the defendants. Both of these lawsuits are currently stayed by agreement of the parties pending further developments in the Securities Class Action pending in the United States Court of Appeals for the First Circuit. While the Company cannot predict the outcome of these matters, it believes the derivative lawsuits to be without merit and plans to vigorously defend against them. The Company cannot reasonably estimate the maximum potential exposure or the range of possible loss in association with these matters.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for fiscal year 2024, which could materially affect our business, financial condition, and/or future results. The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025, except as disclosed below.

Failure to execute our business strategy could adversely impact our growth and profitability.

Our strategy is to deliver a comprehensive and integrated portfolio of drug discovery and non-clinical development products, services and solutions to support our clients' discovery and early-stage drug research, process development, scale up and

manufacturing efforts, and enable them to bring new and improved therapies to market faster and more cost effectively. Separately, through our various Manufacturing segment businesses, we aim to be the premier provider of products and services that ensure our clients produce and release their products safely. If we are unable to successfully execute on this strategy, this could negatively impact our future results of operations and market capitalization. Similarly, if we are unable to successfully execute on the Board of Directors' comprehensive strategic review and evaluation of Charles River's business and growth prospects, as discussed in the section above entitled "Overview", this could negatively impact our future results of operations and market capitalization.

Any decline or lower than expected growth in our served markets could diminish demand for our products and services, which would adversely affect our results of operations and financial condition. In 2024, we experienced such a lower-than-expected demand growth in a number of businesses, including the businesses that comprise our DSA reporting segment. To address this issue generally, we typically pursue a number of strategies designed to improve our internal growth, including strengthening our presence in selected geographic markets through organic growth and strategic acquisitions and expanding our service offerings. In addition, we have implemented a number of restructuring actions, including to optimize our global operational footprint and reduce staffing levels, and other initiatives to drive operating efficiencies to help offset the lower-than-expected demand growth and protect the operating margin. We may not be able to successfully implement these strategies, and these strategies may not result in the expected growth or improved profitability of our business.

Furthermore, our strategy assumes a certain degree of capital and capacity growth development. Factors such as insufficient capital, inflation, supply chain interruptions, inadequate forecasting, increases in construction material costs, or labor shortages could interfere with the successful execution of our strategy and our ability to timely build infrastructure to satisfy capacity needs and support business growth. For additional discussion of our business strategy, please see the section entitled "Our Strategy" included within our Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025.

Significant developments or changes in national laws or policies to protect or promote domestic interests and/or address foreign competition can have an adverse effect on our business and financial statements.

Significant developments or changes in national laws or policies to protect or promote domestic interests and/or address foreign competition, including laws and policies in areas such as trade, manufacturing, government purchasing, healthcare, intellectual property, regulatory enforcement and investment/development, can adversely affect our business and financial statements. The U.S. has experienced a rapid increase in new government regulations, including tariffs and proposed tariffs on imports from a wide range of markets and geographies, including some in which we operate. These tariffs/proposed tariffs have prompted retaliatory tariffs by a number of countries and a cycle of retaliatory tariffs by both the U.S. and other countries. In early April 2025, actions were taken by the U.S. and certain other countries to delay the effective date of certain of these tariffs, but as of the date of this report a number of new tariffs remain in effect, including significant tariffs between the U.S. and countries from which we obtain significant supply, such as Vietnam, Mauritius, and China. Collectively, this may adversely impact our operating margin and results of operations, for example, our costs and expenses related to our business activities and those of our customers and suppliers; demand for our products and our competitive positioning; the availability to us of certain products in certain countries; and our supply chain operations. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion of the impact of these tariffs. Though the risks identified above in certain cases have already adversely impacted part of our business, the full impact of these tariffs and other actions on the Company and on our business partners remains highly uncertain and subject to rapid change.

A reduction or delay in government funding of R&D may adversely affect our business.

A portion of revenue, predominantly in our RMS segment, is derived from clients at academic institutions and research laboratories whose funding is partially dependent on both the level and timing of funding from government sources such as the U.S. National Institutes of Health (NIH) and similar domestic and international agencies, which can be difficult to forecast. We also sell directly to the NIH and these other agencies. Government funding of R&D is subject to the political process, which is inherently fluid and unpredictable. For example, the NIH announced on February 7, 2025, a policy significantly reducing research grants by limiting payments for indirect overhead. While, as of the date of this filing, the order is subject to a preliminary injunction, there can be no assurance that a permanent injunction will be granted or that other adverse actions will not be taken. Our revenue may be adversely affected if our clients delay purchases as a result of uncertainties surrounding the approval of government budget proposals, including reduced allocations to government agencies that fund R&D activities. Government proposals to reduce or eliminate budgetary deficits have sometimes included reduced allocations to the NIH and other government agencies that fund R&D activities, or NIH funding may not be directed towards projects and studies that require the use of our products and services, both of which could adversely affect our business and our financial results.

Changes in government regulation or in practices relating to the pharmaceutical or biotechnology industries, including potential healthcare reform, could decrease the need for the services we provide.

Governmental agencies throughout the world strictly regulate the drug development process. Our business involves helping our customers navigate these regulatory processes. Accordingly, many regulations, and often new regulations, are expected to result

in higher regulatory standards and often additional revenues for companies that service these industries. However, some changes in regulations, such as a relaxation in regulatory requirements or the introduction of streamlined or expedited drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services.

For example: in December 2022, the FDA Modernization Act 2.0 was passed, which clarifies methods manufacturers and sponsors can use to investigate the safety and efficacy of a drug; in April 2025 the FDA announced its intention to reduce animal testing in preclinical safety studies with scientifically validated cell-based and new approach methodologies (NAMs), such as organ-on-a-chip systems, computational modeling, and advanced in vitro assays; and in October 2025, the FDA announced its intention to streamline the approval process for biosimilar drug development and indicated further announcements related to reducing animal testing requirements may be forthcoming. Eliminating the use of animals in research may have material adverse effects on our business, results of operations, or financial condition. While there have been significant advancements in the development of alternative methods, the complete elimination of animals in research will be a gradual process that may take many years to achieve. While we are committed to working with the industry to support development and to provide the best translational models to supplement or replace traditional models as part of our Replacement, Reduction, and Refinement (3Rs) initiative and our Alternative Methods Advancement Project (AMAP), the use of animals in research is highly regulated and proposed changes to current regulations will need to be carefully evaluated to ensure that they do not compromise the safety and efficacy of new drugs and medical treatments.

Although we believe we are currently in compliance in all material respects with applicable national, regional and local laws, as well as other accepted guidance used by oversight bodies (including the USDA, the standards set by the International Air Transport Association, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, USFWS, The Centers for Disease Control, the Department of Transportation, the Department of State, the office of Laboratory Animal Welfare of NIH, the Drug Enforcement Agency, as well as numerous other oversight agencies in the jurisdictions in which we operate), failure to comply could subject us to denial of the right to conduct business, fines, criminal penalties and other enforcement actions. For additional discussion of the factors specifically affecting our non-human primates including related oversight trade compliance agencies, please see the sections entitled “Item 1A. Risk Factors – Industry Risk Factors - Several of our product and service offerings, including our non-human primate supply, are dependent on a limited source of supply that, when interrupted, adversely affects our business”, included within our Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025 and “Item 1. Legal Proceedings” above. In addition, if regulatory authorities were to mandate a significant reduction in safety assessment procedures that utilize research animals (as has been advocated by certain groups), certain segments of our business could be materially adversely affected.

Implementation of healthcare reform legislation, such as certain provisions of the Inflation Reduction Act, may have certain benefits, but also may contain costs that could limit the profits that can be made from the development of new drugs. This could adversely affect R&D expenditures by pharmaceutical and biotechnology companies, which could in turn decrease the business opportunities available to us both in the U.S. and abroad. In addition, new laws or regulations may create a risk of liability, increase our costs or limit our service offerings. Furthermore, if health insurers were to change their practices with respect to reimbursements for pharmaceutical products, our clients may spend less or reduce their growth in spending on R&D.

While it is not possible to predict whether and when any such changes will occur, changes at the local, state or federal level, or in laws and regulations in effect in foreign jurisdictions in which we operate or have business relationships, may significantly impact our domestic and foreign businesses and/or those of our clients. Furthermore, modifications to international trade policy, public company reporting requirements, environmental regulation and antitrust enforcement may have a materially adverse impact on us, our suppliers or our clients.

New technologies may be developed, validated and increasingly used in biomedical research, which could reduce demand for some of our products and services.

The scientific community continues to develop NAMs, which do not involve working with animal models and are designed to increase the translation from findings in early-stage discovery and pre-clinical studies to human studies, and vice-versa. As these methods continue to advance, they may supplement, and in some cases possibly replace or supplant methodologies that are currently in use, such as the use of traditional living animals in biomedical research. For example, in April 2025, the FDA announced its intention to reduce animal testing in preclinical safety studies with NAMs, such as organ-on-a-chip systems, computational modeling, and advanced in vitro assays and, in October 2025, the FDA announced its intention to streamline the approval process for biosimilar drug development and indicated further announcements related to reducing animal testing requirements may be forthcoming. In addition, technological improvements, such as imaging and other translational biomarker technologies, could impact demand for animal research models. Further, manufacturers, including Charles River, have recently introduced recombinant versions of LAL, which has been historically derived from live animals. It is our strategy to explore new technologies to refine and potentially reduce the use of animal models and animal derived products as new in vitro and in silico methods become available and synthetically-manufactured products become validated with sufficient data to ensure public safety. For information regarding our efforts to support development and to provide the best translational models to

supplement or replace traditional models, see “Our Strategy” included within our Annual Report on Form 10-K for fiscal year 2024 as filed with the SEC on February 19, 2025. However, we may not be able to develop new products, inputs or processes effectively or in a timely manner to replace any lost sales. Lastly, other companies or entities may develop research models, inputs or processes with characteristics different from those that we produce, and that may be viewed as more desirable by some of our clients.

Our quarterly operating results may vary, which could negatively affect the market price of our common stock.

Our results of operations in any quarter may vary from quarter to quarter and are influenced by the risks discussed above, as well as: changes in the general global economy; changes in the mix of our products and services; changes in government regulation or in practices related to the pharmaceutical or biotechnology industries, including with respect to the use of NAMs; cyclical buying patterns of our clients; the financial performance of our strategic and venture capital investments; certain acquisition-related adjustments, including change in fair value of contingent payments both receivable from or payable to counterparties; and the occasional extra week (“53rd week”) that we recognize in a fiscal year (and fourth fiscal quarter thereof), including 2022, due to our fiscal year ending on the last Saturday in December. We believe that operating results for any particular quarter are not necessarily a meaningful indication of future results. Nonetheless, fluctuations in our quarterly operating results could negatively affect the market price of our common stock.

Our review of potential strategic alternatives may not result in an executed or consummated transaction or other strategic alternative, and the process of reviewing strategic alternatives or the outcome could adversely affect our business.

On May 6, 2025, in connection with a Cooperation Agreement entered into with a large shareholder of the Company, we agreed, among other things, to have the Strategic Planning and Capital Allocation Committee of our Board of Directors oversee and direct a comprehensive strategic review and evaluation of the Company’s business and prospects, including an examination of various alternatives to enhance long-term stockholder value. On November 5, 2025, the Company announced that, as part of our Board of Directors’ comprehensive strategic review of our business and growth prospects, we will focus on strategic initiatives to strengthen our leading scientific portfolio within our core markets through strategic acquisitions, partnerships, and internal investments; divest certain underperforming or non-core assets; maximize our financial performance, including by implementing additional initiatives aimed at driving greater operating efficiency, which are expected to generate incremental net cost savings of approximately \$70 million annually; and maintain a disciplined approach to capital deployment through regularly evaluating the optimal balance between strategic acquisitions, stock repurchases, debt repayment, and other uses of capital. There is no assurance that the process will result in the approval or completion of any specific transaction or outcome. Further, there is no guarantee that any transaction resulting from the strategic review will ultimately benefit our stockholders.

The process of reviewing potential strategic and operational alternatives is time consuming and costly and may divert management’s attention. It may also be disruptive to our business operations and long-term planning, which may cause concern to our current or potential investors, customers, employees, strategic partners, vendors and other stakeholders and may have a material impact on our operating results or result in increased volatility in our stock price.

Any potential transaction or other strategic alternative would be dependent on a number of factors that may be beyond our control, including, among other things, market conditions, industry trends, regulatory approvals, and the availability of financing for a potential transaction on favorable terms. There can be no assurance that any potential transaction or other strategic alternative will be successfully implemented, achieve the intended benefits or provide greater value to our stockholders than that reflected in the current price of our common stock. Until the review process is concluded, perceived uncertainties related to our future may result in the loss of potential business opportunities, volatility in the market price of our common stock and difficulty attracting and retaining qualified talent and business partners.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information relating to the purchases of shares of our common stock during the three months ended September 27, 2025.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
June 29, 2025 to July 26, 2025	182	\$ 152.20	—	\$ 549,285
July 27, 2025 to August 23, 2025	265	169.64	—	549,285
August 24, 2025 to September 27, 2025	130	162.82	—	549,285
Total	<u>577</u>		<u>—</u>	

Through September 27, 2025 our Board of Directors had authorized up to \$1.0 billion for our stock repurchase program. During the three months ended September 27, 2025, we did not repurchase any shares of common stock under our stock repurchase program or in open market trading. As of September 27, 2025, we had \$549.3 million remaining on the authorized stock repurchase program.

On October 29, 2025, our Board of Directors approved a new stock repurchase authorization of \$1.0 billion. This new authorization replaces the prior stock repurchase authorization of \$1.0 billion that had \$549.3 million remaining on the plan when it was terminated.

Additionally, our stock-based compensation plans permit the netting of common stock upon vesting of restricted stock units, and performance share units in order to satisfy individual statutory tax withholding requirements.

Item 5. Other Information

During the quarter ended September 27, 2025, none of our officers or directors adopted or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

(a) Exhibits	Description of Exhibits	Filed with this Form 10-Q	Incorporation by Reference		
			Form	Filing Date	Exhibit No.
10.1	Amendment to the Amended and Restated Employment Agreement by and between James C. Foster and Charles River International, Inc., dated May 20, 2025		10-Q	August 6, 2025	10.1
10.2	Cooperation Agreement, by and among the Company and Elliott Investment Management L.P., Elliott Associates, L.P. and Elliott International, L.P., dated as of May 6, 2025		8-K	May 7, 2025	10.1
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer	X			
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer	X			
32.1+	Certification of the Principal Executive Officer and the Principal Financial Officer required by Rule 13a-14(a) of 15d-14(a) of the Exchange Act	X			
101.INS	eXtensible Business Reporting Language (XBRL) Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	XBRL Taxonomy Extension Schema Document	X			
101.CAL	XBRL Taxonomy Calculation Linkbase Document	X			
101.DEF	XBRL Taxonomy Definition Linkbase Document	X			
101.LAB	XBRL Taxonomy Label Linkbase Document	X			
101.PRE	XBRL Taxonomy Presentation Linkbase Document	X			

+ Furnished herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

November 5, 2025 /s/ JAMES C. FOSTER
James C. Foster
Chairman, President and Chief Executive Officer

November 5, 2025 /s/ MICHAEL G. KNELL
Michael G. Knell
*Interim Chief Financial Officer, Corporate Senior Vice President, Chief Accounting Officer
(duly authorized officer and Principal Financial and Accounting Officer)*

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND RULE 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934**

I, James C. Foster, Chairman, President and Chief Executive Officer of Charles River Laboratories International, Inc. (the registrant) certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 27, 2025 of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James C. Foster

James C. Foster
Chairman, President and Chief Executive Officer
Charles River Laboratories International, Inc.

November 5, 2025

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND RULE 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934**

I, Michael G. Knell, Interim Chief Financial Officer, and Corporate Senior Vice President, Chief Accounting Officer of Charles River Laboratories International, Inc. (the registrant) certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 27, 2025 of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael G. Knell

Michael G. Knell
*Interim Chief Financial Officer, Corporate Senior Vice President, Chief Accounting Officer
(duly authorized officer and Principal Financial and Accounting Officer)*
Charles River Laboratories International, Inc.

November 5, 2025

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q for the quarter ended September 27, 2025 of Charles River Laboratories International, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, James C. Foster, Chairman, President and Chief Executive Officer of the Company, and Michael G. Knell, Interim Chief Financial Officer, and Corporate Senior Vice President, Chief Accounting Officer of the Company, each hereby certifies, to the best of his knowledge and pursuant to 18 U.S.C. Section 1350, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James C. Foster

James C. Foster
Chairman, President and Chief Executive Officer
Charles River Laboratories International, Inc.

November 5, 2025

/s/ Michael G. Knell

Michael G. Knell
Interim Chief Financial Officer, Corporate Senior Vice President, Chief Accounting Officer
(duly authorized officer and Principal Financial and Accounting Officer)
Charles River Laboratories International, Inc.

November 5, 2025

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act.