1Q 2023 Results

May 11, 2023

Charles River Laboratories

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Safe Harbor Statement

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Forward-looking statements are based on Charles River’s current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to: NHP supply constraints and the investigations by the U.S. Department of Justice, including the impact on our projected future financial performance, the timing of the resumption of Cambodia NHP imports, and our ability to manage supply impact; changes and uncertainties in the global economy and financial markets, including any changes in business, political, or economic conditions due to the November 16, 2022 announcement by the U.S. Department of Justice through the U.S. Attorney’s Office for the Southern District of Florida that a Cambodian NHP supplier and two Cambodian officials had been criminally charged in connection with illegally importing NHPs into the United States; the ability to successfully integrate businesses we acquire (including Explora Biolabs, Cognate BioServices and Vigene Biosciences and risks and uncertainties associated with Cognate’s and Vigene’s products and services, which are in areas that the Company did not previously operate); the timing and magnitude of our share repurchases; negative trends in research and development spending, negative trends in the level of outsourced services, or other cost reduction actions by our clients; the ability to convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; USDA and FDA regulations; changes in law; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 22, 2023, as well as other filings we make with the Securities and Exchange Commission. Because forward- looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Charles River, and Charles River assumes no obligation and expressly disclaims any duty to update information contained in this presentation except as required by law.

Regulation G

This presentation includes discussion of non-GAAP financial measures. We believe that the inclusion of these non-GAAP financial measures provides useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often one-time charges, consistent with the manner in which management measures and forecasts the Company’s performance. The non-GAAP financial measures included in this presentation are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. The company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules and regulations. In accordance with Regulation G, you can find the comparable GAAP measures and reconciliations to those GAAP measures on our website at ir.criver.com.

1Q23 Financial Performance

($ in millions, except per share amounts)	1Q23	1Q22	YOY Δ	Organic Δ
Revenue	$1,029.4	$913.9	12.6%	15.4%
GAAP OM%	16.3%	16.3%	---	
Non-GAAP OM%	21.2%	21.4%	(20) bps	
GAAP EPS	$2.01	$1.81	11.0%	
Non-GAAP EPS	$2.78	$2.75	1.1%	

- Strong start to 2023, with organic revenue growth of 15.4% and non-GAAP EPS of $2.78
  - Both widely exceeding February outlook

1Q23 Financial Performance, cont.

- Year began with continuation of strong demand and pricing for DSA we experienced through end of 2022
- DSA environment was expected based on strength of backlog, which supports more than a year of DSA revenue
- Clients continue to choose to partner with CRL for:
  - Scientific expertise
  - Breadth and depth of our portfolio
  - Flexible, efficient outsourcing solutions
- CRL is a large, stable, scientific partner, holistically focused on supporting clients' drug discovery, non-clinical development, and manufacturing efforts
  - Believe these are increasingly important factors in current market environment

Current Trends Firmly Support 2023 Guidance

- Biopharma end market seems slightly less robust than 2022, which was anticipated and factored into initial guidance in February
- Clients appeared to be more thoughtful about spending and have prioritized programs at beginning of the year
- Not surprising in light of changing macroeconomic factors present today and unprecedented level of biomedical research activity that occurred over past several years
- Although watching the market carefully, we still believe that our client base remains adequately funded
  - Sell-side analyst recently estimated that public biotechs still have ~3 years of cash on hand
- Seeing a normalization of demand trends towards pre-pandemic levels, but clients are continuing to move thousands of critical programs forward with CRL
- Believe trends and current business development activity firmly support our financial guidance for the year

NHP Supply Update

- As previously stated, suspended shipments of Cambodian NHPs into the US last February
- Took the action so that we could develop and implement new testing procedures that would reinforce confidence that NHPs imported from Cambodia are purpose bred
- Have made advancements towards identifying a new testing platform and implementing new testing procedures
  - Engaged with relevant government agencies in furtherance of the needed resolution
- Also working in parallel to accommodate clients' NHP-related study starts utilizing our global safety assessment site network
- Global scale is one of the key factors which we believe differentiates CRL from competition

NHP Supply Update, cont.

- Believe efforts will mitigate some of the NHP supply impact expected in 2H23
- Affords greater confidence in 2023 guidance
- Wider guidance range continues to accommodate a number of scenarios related to success of mitigation efforts
  - Since plans have not yet been fully implemented and NHP supply remains a fluid situation
- As a reminder, biologic drugs cannot be approved for commercial use without NHPs
- Critical that we work diligently with industry and government agencies to resolve NHP situation and restore this important supply chain so that life-saving therapies can continue to move forward

1Q23 Revenue

($ in millions)	1Q23	1Q22	YOY Δ
Revenue, reported	$1,029.4	$913.9	12.6%
Unfavorable/(Favorable) impact of FX			2.1%
Contribution from acquisitions			(1.8)%
Impact of divestitures			2.5%
Revenue growth, organic			15.4%

- Organic revenue growth of 15.4% driven by robust DSA performance and solid RMS growth
- Manufacturing growth rate impacted by challenging YOY comparison and lower-than-anticipated Biologics Testing volume to start the year
- By client segment, global biopharmas, small and mid-sized biotechs, and academic and government accounts all made significant contributions to growth rate

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

1Q23 Operating Margin

	1Q23	1Q22	YOY Δ
GAAP OM%	16.3%	16.3%	---
Non-GAAP OM%	21.2%	21.4%	(20) bps

- Decline driven by Manufacturing and RMS segments

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

1Q23 EPS

	1Q23	1Q22	YOY Δ
GAAP EPS	$2.01	$1.81	11.0%
Non-GAAP EPS	$2.78	$2.75	1.1%

- Strong, low-double-digit operating income growth mostly offset by increased interest expense and higher tax rate compared to 2022, as well as impact of Avian Vaccine divestiture

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

Updated 2023 Guidance

	REVISED	PRIOR
Revenue growth, reported	2.0%-4.5%	1.5%-4.5%
Contribution from acquisitions/divestitures, net	~1.5%	~1.5%
Impact of 53rd week in 2022	~1.5%	~1.5%
Unfavorable/(Favorable) impact of FX	0.0%-(0.5)%	0.0%-(0.5)%
Revenue growth, organic	5.0%-7.5%	4.5%-7.5%
GAAP EPS	$7.45-$8.45	$7.40-$8.60
Acquisition-related amortization	~$2.00	~$2.00
Acquisition and integration-related adjustments	~$0.10	~$0.10
Venture capital and other strategic investment losses/(gains), net	$0.03	--
Other items	$0.30-$0.35	~$0.20
Non-GAAP EPS	$9.90-$10.90	$9.70-$10.90

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

Updated 2023 Guidance, cont.

- Based on strong 1Q23 performance and expectations for remainder of 2023—which remain largely consistent with initial outlook—narrowing 2023 guidance:
  - Organic revenue growth guidance to a range of 5%-7.5%
  - Non-GAAP EPS to a range of $9.90-$10.90
- Have increased lower ends of ranges by 50 bps and $0.20 per share, respectively
- As mentioned, outlook continues to reflect anticipated financial impact of Cambodian NHP supply constraints, which will have a greater impact on 2H23 results

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DSA Results – Revenue

($ in millions)	1Q23	1Q22	YOY Δ
Revenue, reported	$662.4	$544.3	21.7%
Unfavorable/(Favorable) impact of FX			2.1%
Contribution from acquisitions			(0.2)%
Impact of divestitures			---
Revenue growth, organic			23.6%

- Safety Assessment (SA) business continued to be principal driver of DSA revenue growth, with significant contributions from study volume and base pricing
  - NHP pass-throughs also added to growth rate
- Although revenue for Discovery Services increased in 1Q23, growth rate continued to modulate
  - Believe this is reflective of current market environment coupled with shorter-term nature of both discovery projects and the business’s backlog

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

DSA Results – Safety Assessment (SA)

- DSA backlog decreased modestly on a sequential basis, to $3.0B at end of 1Q23, from $3.15B at YE 2022
- Trend is reflective of normalization of booking and proposal activity that we experienced at YE 2022 and in 1Q23
- Clients are not booking work as far out as they did over the past few years
- Believe this is the result of clients' evaluation of pipeline priorities and scheduling with a nearer-term focus
- That said, believe trends and current market environment, coupled with strength of our current backlog, will drive the expected DSA revenue growth this year
  - Backlog still affords us 14 months of revenue coverage in SA business

Stable and Resilient Client Base

- Client base remains stable and resilient
- Biotech clients continued to send us new programs and generated healthy, double-digit revenue growth in 1Q23
- Also encouraging to see biotech funding levels increase YOY by >20% in 1Q23, to ~$15B
- Believe higher funding demonstrates that venture capital remains a reliable source of funding to enable biotechs to spend on their promising molecules
  - Public markets had a better Q1
- Moreover, large biopharma companies continued to move programs forward with vigor
  - 1Q23 revenue growth for large biopharmas outpaced biotechs and demonstrated the strength and balance of our client base

DSA Results - Safety Assessment (SA), cont.

- Through the first 4 months of 2023, 14 new drugs were approved by the FDA
  - On pace to exceed last year's total
- Since CRL has worked on > 80% of FDA-approved drugs over last 5 years, believe the pipeline of new drugs supports ample future growth opportunities for us
- However, after 3 consecutive quarters with extraordinary revenue growth above the 20% level, DSA growth rate is expected to moderate over the course of 2023 due to these primary factors:
  - Normalization of demand trends
  - More challenging YOY comparisons as 2023 progresses
  - Impact of NHP supply constraints (mostly in 2H23)

Expectations for NHP Impact

- Expect less of an impact from NHP supply constraints in 2Q23 than originally planned
  - Because of our ability to optimize study schedules and leverage our flexible, global infrastructure, and also due to our extensive backlog coverage across multiple study types
- As mentioned earlier, strong 1Q23 results and progress with regard to additional mitigation efforts around NHP supply constraints have also improved our confidence in our 2023 financial guidance
- Moving forward with plans to reconfirm NHP study starts already scheduled for 2H23
- Based on communications with clients, confident that we remain the preferred partner for their preclinical development activities because of our global scale, scientific differentiation, exceptional quality, and value we bring to their research and development efforts
- Even with disruption in NHP supply chain, we do not believe the competition can provide a better value proposition to clients than CRL can

DSA Results – Operating Margin

	1Q23	1Q22	YOY Δ
DSA GAAP OM%	25.9%	19.3%	660 bps
DSA Non-GAAP OM%	29.0%	22.9%	610 bps

- Operating margin increase continued to be driven by:
  - Operating leverage associated with meaningfully higher revenue in SA business
  - Price increases

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

RMS Results – Revenue

($ in millions)	1Q23	1Q22	YOY Δ
Revenue, reported	$199.8	$176.5	13.2%
Unfavorable/(Favorable) impact of FX			2.5%
Contribution from acquisitions			(8.9)%
Impact of divestitures			---
Revenue growth, organic			6.8%

- RMS benefited from broad-based demand for small research models in all geographic regions, for Research Model Services, and for Cell Solutions business

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

RMS Results – Research Models

- RMS growth rate was below high-single-digit target for 2023 due primarily to RMS China
- While demand for small research models remained strong, timing of NHP shipments to clients in China impacted the 1Q23 growth rate
- Since exports from China were shut down at beginning of the pandemic and we were unable to utilize these NHPs in our global SA operations, we have been selling a relatively small number of NHPs to clients in China
- Expect RMS growth rate to meaningfully improve in 2Q23 as models are shipped in China
- Continue to expect RMS to deliver high-single-digit organic revenue growth in 2023

RMS Results – Research Models, cont.

- Revenue for small research models in North America and Europe remained strong, driven by healthy volume increases in North America and continued pricing gains globally
- Believe demand for research models is an excellent indicator of health and stability of early-stage research activity
- Demand and pricing trends this year demonstrate that clients are continuing to move research programs forward, which will drive solid RMS revenue growth

RMS Results – RM Services

- RM Services revenue growth was also broad based, with Insourcing Solutions (IS) and GEMS leading the way
- IS growth continued to be primarily driven by CRADL™ operations, which offer flexible vivarium rental space at CRL sites to both small and large biopharma clients
- Having expanded last year through both the acquisition of Explora BioLabs and by adding 9 CRADL™ and Explora sites, now focusing on ramping up utilization of the new sites and continuing to moderately add new sites
  - Will generate a runway for continued, robust revenue growth and margin enhancement opportunities for CRADL™
- Traditional IS model, which provides staffing and vivarium management at clients' sites, still resonates with clients

RMS Results – RM Services, cont.

- IS has historically had a larger academic and government client base; however, commercial clients are also seeking the benefits of driving cost savings and greater operational efficiency by allowing CRL to manage their internal vivariums
  - Pleased to add new, meaningful commercial biopharma contract in 1Q23
- Also continue to expand GEMS business in North America to accommodate increasing demand from both biopharma and academic clients, as they partner with us to maintain their proprietary, genetically modified colonies
- These models are playing an increasingly critical role as drug research becomes more complex with the shift to oncology, rare disease, and cell and gene therapies

RMS Results – Operating Margin

	1Q23	1Q22	YOY Δ
RMS GAAP OM%	20.2%	27.1%	(690) bps
RMS Non-GAAP OM%	23.4%	29.9%	(650) bps

- Most of operating margin decline driven by temporary headwind in China related to NHP shipments
- Revenue mix was also a factor, due in part to Explora acquisition in April 2022 and ramp up of utilization at CRADL™ and Explora operations expanded last year
- Expect RMS operating margin to meaningfully improve in 2Q23 as headwinds subside

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

Manufacturing Results – Revenue

($ in millions)	1Q23	1Q22	YOY Δ
Revenue, reported	$167.3	$193.1	(13.4)%
Unfavorable/(Favorable) impact of FX			1.9%
Contribution from acquisitions			---
Impact of Avian divestiture			9.7%
Revenue growth, organic			(1.8)%

- Revenue decrease driven by CDMO and Biologics Testing businesses, partially offset by solid performance for Microbial Solutions
- As mentioned in February, expected segment's YOY revenue comparison would be challenging due to commercial readiness milestones in the CDMO business and COVID vaccine testing revenue in Biologics Testing business
  - Both occurred in 1Q22
- Believe these factors will be largely anniversaried beginning in 2Q23

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

Manufacturing Results – Biologics Testing

- Biologics Testing experienced a slower start to the year
- Testing volumes tend to be seasonally softer in Q1, with lower sample volume reflecting reduced client manufacturing activity over the holidays
- This year, also experienced lower-than-anticipated volumes, particularly for viral clearance and cell banking services
  - Because clients seemed to be prioritizing their programs and more budget focused at the beginning of the year

Manufacturing Results – Microbial Solutions

- Microbial Solutions delivered a solid 1Q23 performance, led by the continued strength of Accugenix® microbial identification platform, due to both instrument placements and demand for our testing services
- Our advantage as the only provider who can offer a comprehensive solution for rapid manufacturing quality-control testing continues to resonate with clients

Manufacturing Results – CDMO

- Cell and gene therapy CDMO business continued to make progress towards its targeted growth rate goal
- As expected, 1Q23 growth rate was affected by comparison to 1Q22, when commercial readiness milestones were paid
- However, initiatives implemented to improve performance of CDMO business continued to gain traction and earn positive feedback from clients
- Believe success of these actions and increasing sales funnel will result in marked improvement in CDMO growth rate in 2Q23
- Also expect CDMO business will drive rebound in Manufacturing segment organic revenue growth rate over the course of the year

Manufacturing – Operating Margin

	1Q23	1Q22	YOY Δ
Manufacturing GAAP OM%	1.3%	24.0%	(2270) bps
Manufacturing Non-GAAP OM%	13.7%	33.1%	(1940) bps

- Operating margin decline primarily related to lower operating margins in each of the segment's business units, particularly CDMO and Biologics Testing
  - Largely driven by prior-year headwinds, the slower start in the Biologics Testing business, and an asset impairment in the segment

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

Concluding Remarks

- As anticipated, end market dynamics have moderated somewhat in 2023, but important to reiterate that client base remains stable and resilient, particularly biotechs
- Biotechs have now become the innovation engine for entire biopharma industry
  - Number of biopharma companies with active R&D pipelines doubled over the past 10 years
- Believe early-stage research we conduct is instrumental to our biotech clients' achievement of important milestones that enable them to secure additional funding
- Therefore, they will continue to partner with CRL for our flexible and efficient platform that accelerates their therapeutic innovation
- These factors, coupled with strength and scale of our DSA backlog and the substantial visibility it provides, will enable us to better withstand any near-term market fluctuations

Concluding Remarks, cont.

- Believe the power of our unique portfolio differentiates CRL—today more than ever—from other companies who provide R&D support services to the biopharma industry
- Continuing to further distinguish CRL scientifically by:
  - Adding capabilities in biologics and cell and gene therapies
  - Investing in technology partnerships to bring cutting-edge tools to our clients
  - Building greater digital connectivity with clients, including through the launch of Apollo™ in March
    - Apollo™ will revolutionize client access to real-time study data, planning and cost estimates, and other self-service tools

1Q23 Financial Performance

($ in millions, except per share amounts)	1Q23	1Q22	YOY Δ	Organic Δ
Revenue	$1,029.4	$913.9	12.6%	15.4%
GAAP OM%	16.3%	16.3%	---	
Non-GAAP OM%	21.2%	21.4%	(20) bps	
GAAP EPS	$2.01	$1.81	11.0%	
Non-GAAP EPS	$2.78	$2.75	1.1%	

- Pleased with 1Q23 results, which included revenue and non-GAAP EPS growth well above February outlook
  - Delivered strong organic revenue growth, widely outperforming prior expectations
  - Higher revenue and solid operating performance contributed to non-GAAP EPS of $2.78
    - 1.1% increase compared to February outlook of a mid-single-digit decline

Narrowed 2023 Guidance

	2023 Guidance
Revenue growth, reported	2.0% - 4.5%
Revenue growth, organic	5.0% - 7.5%
GAAP EPS	$7.45 - $8.45
Non-GAAP EPS	$9.90 - $10.90

- Narrowed 2023 financial guidance to reflect strong 1Q23 performance
- 2023 revenue guidance ranges continue to reflect the estimated impact from NHP supply constraints
  - Resulting in wider guidance ranges to account for multiple outcomes with respect to our mitigation plans
- Expecting stronger revenue growth rates in 1H23, due to:
  - Comparison to 2022 when growth accelerated throughout the year
  - Anticipated gating of NHP supply impact, which will principally impact 2H23

2023 Segment Revenue & Operating Margin Outlook

	2023 Reported Revenue Growth	2023 Organic Revenue Growth[1]
RMS	High-single digits	High-single digits
DSA	Low- to- mid-single digits	Low- to- mid-single digits
Manufacturing	Flat to low-single digits (reflects Avian Vaccine divestiture)	High-single to low-double digits
Consolidated CRL	2.0%-4.5%	5.0%-7.5%

- 2023 segment revenue growth outlook remains largely unchanged
- Continue to expect 2023 non-GAAP operating margin will be flat to lower vs. 2022, depending on success of plans to mitigate NHP supply constraints

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

(1) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures, the 53rd week in 2022, and foreign currency translation.

Unallocated Corporate Expenses

($ in millions)	1Q23	4Q22	1Q22
GAAP	$46.1	$57.0	$50.5
Non-GAAP	$43.9	$54.9	$45.3

- Non-GAAP unallocated corporate costs were favorable in 1Q23, totaling 4.3% of total revenue, compared to 5.0% of revenue in 1Q22
  - Decrease was primarily the result of the timing of health and fringe costs, which are expected to normalize over the course of 2023
- Despite the 1Q23 favorability, we expect unallocated corporate expenses to total ~5% of revenue for 2023, which is similar to 2022

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

Tax Rate

	1Q23	4Q22	1Q22
GAAP	20.7%	22.8%	14.1%
Non-GAAP	21.7%	18.7%	16.8%

- 1Q23 non-GAAP tax rate was ~490 bps higher YOY, as anticipated
  - Primarily due to a lower tax benefit from stock-based compensation
- Continue to expect 2023 tax rate in a range of 22.5%-23.5% (GAAP and non-GAAP), unchanged from previous outlook

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

Net Interest Expense

($ in millions)	1Q23	4Q22	1Q22
GAAP interest expense, net	$33.6	$34.4	$9.3
Non-GAAP interest expense, net	$33.6	$34.4	$9.3
Adjustments for foreign exchange forward contract and related interest expense(1)	—	—	$11.1
Adjusted net interest expense	$33.6	$34.4	$20.4

- Net interest expense was essentially flat on a sequential basis
- Significant YOY increase, which compressed 1Q23 earnings growth, reflected meaningfully higher interest rates since March 2022
- Continue to expect net interest expense of $133-$137M (non-GAAP and GAAP)
  - 72% of $2.75B debt at 1Q23 is at a fixed interest rate
  - Outlook can accommodate an additional 50 bps increase in interest rates in 2023
- At the end of 1Q23, gross leverage ratio was 2.2x and net leverage ratio was 2.1x

(1) 1Q22 amounts reported in total adjusted interest expense include $11.8M gain on forward contract and $0.1M of additional interest expense.

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

Cash Flow

($ in millions)	1Q23	1Q22	2023 Outlook
Free cash flow (FCF)	$2.5	$22.2	$330-$380
Capital expenditures	$106.9	$80.5	$340-$360
Depreciation	$42.2	$37.3	~$180
Amortization	$34.9	$38.0	$135-$140

- 1Q23 FCF decrease compared to last year was driven by higher capex
  - Q1 is a seasonally softer period for FCF generation
- 1Q23 capex was higher due primarily to ongoing expansion projects to support continued growth across our business

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

Cash Flow, cont.

- Initiating 2023 guidance for FCF and capex
- 2023 FCF outlook is flat to a 15% increase over 2022 FCF of $330M
- Capex expected to be slightly below our stated target of 9% of total revenue
  - 2023 capex outlook of $340-$360M
- Lower capital intensity vs. target represents disciplined approach to capital deployment
  - Investing based on the growth potential of each business unit
  - Modifying certain projects in light of the temporary disruption from the NHP supply constraints
- Normalizing demand trends will result in less capital required than we previously anticipated

2023 Updated Guidance Summary

	GAAP	Non-GAAP
Revenue growth	2.0%-4.5% reported	5.0%-7.5% organic(1)
Unallocated corporate	~5% of revenue	~5% of revenue
Operating margin	Flat to lower vs. 16.4% in 2022	Flat to lower vs. 21.0% in 2022
Net interest expense	$133M-$137M	$133M-$137M
Tax rate	22.5%-23.5%	22.5%-23.5%
EPS	$7.45-$8.45	$9.90-$10.90
Cash flow	Operating cash flow $680M-$730M	Free cash flow $330M-$380M
Capital expenditures	$340M-$360M	$340M-$360M

(1) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures, the 53rd week in 2022, and foreign currency translation.

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

2Q23 Outlook

	2Q23 Outlook
Reported revenue growth YOY	High-single-digit growth vs. 2Q22
Organic revenue growth YOY	~10% growth or better vs. 2Q22
Non-GAAP EPS growth YOY	Mid-single-digit decline vs. 2Q22

- 2Q23 revenue outlook reflects continued strong growth trends across many of our businesses
- Expect NHP supply issue will have only limited impact on 2Q23 DSA growth rate
  - Able to schedule flexibility
  - Expect to leverage strength of backlog to slot in other studies when necessary
- Non-GAAP EPS outlook reflects higher tax rate and increased interest expense, which will continue to restrict YOY earnings growth rate in 2Q23

Concluding Remarks

- Pleased with 1Q23 performance and are confident about our 2Q23 prospects, as well as our ability to achieve our full-year financial outlook
- Even as macroeconomic and biopharmaceutical market conditions evolve, we will continue to execute our strategy
  - Expand our business to meet the needs of our clients
  - Enhance our position as the scientific partner of choice to accelerate biomedical research and therapeutic innovation

1Q23 Regulation G Financial Reconciliations

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

	Three Months Ended	
	April 1, 2023	March 26, 2022
Research Models and Services		
Revenue	$ 199,766	$ 176,542
Operating income	40,409	47,882
Operating income as a % of revenue	20.2 %	27.1 %
Add back:		
Amortization related to acquisitions	5,494	3,838
Severance	—	674
Acquisition related adjustments (2)	830	383
Total non-GAAP adjustments to operating income	$ 6,324	$ 4,895
Operating income, excluding non-GAAP adjustments	$ 46,733	$ 52,777
Non-GAAP operating income as a % of revenue	23.4 %	29.9 %
Depreciation and amortization	$ 13,489	$ 9,469
Capital expenditures	$ 19,084	$ 8,646
Discovery and Safety Assessment		
Revenue	$ 662,353	$ 544,259
Operating income	171,431	104,986
Operating income as a % of revenue	25.9 %	19.3 %
Add back:		
Amortization related to acquisitions	17,487	22,365
Severance	—	74
Acquisition related adjustments (2)	244	(2,923)
Site consolidation costs, impairments and other items (3)	2,805	69
Total non-GAAP adjustments to operating income	$ 20,536	$ 19,585
Operating income, excluding non-GAAP adjustments	$ 191,967	$ 124,571
Non-GAAP operating income as a % of revenue	29.0 %	22.9 %
Depreciation and amortization	$ 42,450	$ 46,789
Capital expenditures	$ 65,184	$ 48,930
Manufacturing Solutions		
Revenue	$ 167,254	$ 193,128
Operating income	2,106	46,368
Operating income as a % of revenue	1.3 %	24.0 %
Add back:		
Amortization related to acquisitions	12,021	11,898
Severance	916	107
Acquisition related adjustments (2)	829	4,142
Site consolidation costs, impairments and other items (3)	7,062	1,421
Total non-GAAP adjustments to operating income	$ 20,828	$ 17,568
Operating income, excluding non-GAAP adjustments	$ 22,934	$ 63,936
Non-GAAP operating income as a % of revenue	13.7 %	33.1 %
Depreciation and amortization	$ 20,084	$ 18,482
Capital expenditures	$ 21,738	$ 22,828

CONTINUED ON NEXT SLIDE

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

	Three Months Ended	
	April 1, 2023	**March 26, 2022**
CONTINUED FROM PREVIOUS SLIDE		
Unallocated Corporate Overhead	$ (46,054)	$ (50,458)
Add back:		
Severance	—	1,087
Acquisition related adjustments [2]	2,112	4,116
Other items [3]	91	—
Total non-GAAP adjustments to operating expense	$ 2,203	$ 5,203
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (43,851)	$ (45,255)
Total		
Revenue	$ 1,029,373	$ 913,929
Operating income	167,892	148,778
Operating income as a % of revenue	16.3 %	16.3 %
Add back:		
Amortization related to acquisitions	35,002	38,101
Severance	916	1,942
Acquisition related adjustments [2]	4,015	5,718
Site consolidation costs, impairments and other items [3]	9,958	1,490
Total non-GAAP adjustments to operating income	$ 49,891	$ 47,251
Operating income, excluding non-GAAP adjustments	$ 217,783	$ 196,029
Non-GAAP operating income as a % of revenue	21.2 %	21.4 %
Depreciation and amortization	$ 77,069	$ 75,299
Capital expenditures	$ 106,875	$ 80,464

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

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

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

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

	Three Months Ended	
	April 1, 2023	March 26, 2022
Net income attributable to common shareholders	$ 103,131	$ 93,022
Add back:		
Non-GAAP adjustments to operating income (Refer to previous schedule)	49,891	47,251
Venture capital and strategic equity investment losses, net	3,282	13,903
Gain on divestitures [(2)]	(441)	—
Other [(3)]	(101)	357
Tax effect of non-GAAP adjustments:		
Non-cash tax provision related to international financing structure [(4)]	1,124	1,122
Tax effect of the remaining non-GAAP adjustments	(13,899)	(14,520)
Net income attributable to common shareholders, excluding non-GAAP adjustments	$ 142,987	$ 141,135
Weighted average shares outstanding - Basic	51,097	50,640
Effect of dilutive securities:		
Stock options, restricted stock units and performance share units	331	685
Weighted average shares outstanding - Diluted	51,428	51,325
Earnings per share attributable to common shareholders:		
Basic	$ 2.02	$ 1.84
Diluted	$ 2.01	$ 1.81
Basic, excluding non-GAAP adjustments	$ 2.80	$ 2.79
Diluted, excluding non-GAAP adjustments	$ 2.78	$ 2.75

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

(2) Adjustments included in 2023 relate to the gain on sale of our Avian business, which was divested in 2022.

(3) Amount included in 2023 relates to a final adjustment on the termination of a Canadian pension plan. Amount included in 2022 relates to the sale of RMS Japan operations in October 2021.

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

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

Three Months Ended April 1, 2023	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	12.6 %	13.2 %	21.7 %	(13.4)%
Decrease due to foreign exchange	2.1 %	2.5 %	2.1 %	1.9 %
Contribution from acquisitions (2)	(1.8)%	(8.9)%	(0.2)%	— %
Impact of divestitures (3)	2.5 %	— %	— %	9.7 %
Non-GAAP revenue growth, organic (4)	**15.4 %**	**6.8 %**	**23.6 %**	**(1.8)%**

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

(2) The contribution from acquisitions reflects only completed acquisitions.

(3) The Company sold our Avian business on December 20, 2022. These adjustments represent the revenue from these businesses for all applicable periods in 2023 and 2022.

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 30, 2023E

2023 GUIDANCE	CURRENT	PRIOR
Revenue growth, reported	2.0% – 4.5%	1.5% – 4.5%
Impact of divestitures/(acquisitions), net	~1.5%	~1.5%
Impact of 53rd week in 2022	~1.5%	~1.5%
Unfavorable/(favorable) impact of foreign exchange	0.0% - (0.5)%	0.0% - (0.5)%
Revenue growth, organic (1)	5.0% – 7.5%	4.5% – 7.5%
GAAP EPS estimate	\$7.45 – \$8.45	\$7.40 – \$8.60
Acquisition-related amortization	~\$2.00	~\$2.00
Acquisition and integration-related adjustments (2)	~\$0.10	~\$0.10
Venture capital and other strategic investment losses/(gains), net (3)	\$0.03	--
Other items (4)	\$0.30 – \$0.35	~\$0.20
Non-GAAP EPS estimate	\$9.90 – \$10.90	\$9.70 – \$10.90

Footnotes to Guidance Table:

(1) Organic revenue growth is defined as reported revenue growth adjusted for completed acquisitions and divestitures, the 53rd week in 2022, and foreign currency translation.

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

(3) Venture capital and other strategic investment performance only includes recognized gains or losses. The Company does not forecast the future performance of these investments.

(4) These items primarily relate to charges associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure; certain third-party legal costs related to (a) environmental litigation related to the Microbial Solutions business and (b) investigations by the U.S. government into the NHP supply chain related to our Safety Assessment business; and severance and other costs related to the Company's efficiency initiatives.

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

	Three Months Ended December 31, 2022
Unallocated Corporate Overhead	$ (57,002)
Add back:	
Severance	—
Acquisition related adjustments [2]	2,149
Total non-GAAP adjustments to operating expense	$ 2,149
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (54,853)

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

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

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

(in thousands)

	Three Months Ended		
	April 1, 2023	December 31, 2022	March 26, 2022
Income before income taxes & noncontrolling interests	$ 131,041	$ 244,921	$ 110,846
Add back:			
Amortization related to acquisitions	35,002	35,518	38,101
Severance	916	958	1,942
Acquisition related adjustments [2]	4,015	17,827	5,718
Site consolidation costs, impairments and other items [3]	9,958	6,723	1,490
Venture capital and strategic equity investment losses (gains), net	3,282	6,707	13,903
Gain on divestitures [4]	(441)	(123,524)	—
Other [5]	(101)	1,080	357
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	$ 183,672	$ 190,210	$ 172,357
Provision for income taxes (GAAP)	$ 27,087	$ 55,815	$ 15,620
Non-cash tax benefit related to international financing structure [6]	(1,124)	(1,024)	(1,122)
Enacted tax law changes	—	382	—
Tax effect of the remaining non-GAAP adjustments	13,899	(19,529)	14,520
Provision for income taxes (Non-GAAP)	$ 39,862	$ 35,644	$ 29,018
Total rate (GAAP)	20.7 %	22.8 %	14.1 %
Total rate, excluding specified charges (Non-GAAP)	21.7 %	18.7 %	16.8 %

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

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

(3) Other items include certain third-party legal costs related to (a) an environmental litigation related to the Microbial business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

(4) Adjustments included in 2023 relate to the gain on sale of our Avian business, which was divested in 2022.

(5) Amount included in 2023 relates to a final adjustment on the termination of a Canadian pension plan. Amount included in 2022 relates to the sale of RMS Japan operations in October 2021.

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE [(1)]

(in thousands)

	Three Months Ended			Fiscal Year Ended
	April 1, 2023	**December 31, 2022**	**March 26, 2022**	**December 30, 2023E**
GAAP Interest expense, net	$ 33,574	$ 34,436	$ 9,307	$133,000-$137,000
Adjustments for foreign exchange forward contract and related interest expense, net [(2)]	—	—	11,101	—
Adjusted Interest expense, net	$ 33,574	$ 34,436	$ 20,408	$133,000-$137,000

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

(2) Amounts reported in total adjusted interest expense include an $11.8 million gain on a forward contract and $0.1 million of additional interest expense for the three months ended March 26, 2022 .

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GROSS/NET LEVERAGE RATIO, INCLUDING GAAP NET INCOME TO ADJUSTED EBITDA (1)

(dollars in thousands, except for per share data)

	April 1, 2023	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
DEBT (2):						
Total Debt & Finance Leases	$ 2,750,593	$ 2,711,208	$ 2,666,359	$ 1,979,784	$ 1,888,211	$ 1,668,014
Plus: Other adjustments per credit agreement	$ 10,543	$ 13,431	$ 37,244	$ 2,328	$ 712	$ 3,033
Less: Unrestricted Cash and Cash Equivalents up to $150M	$ (150,000)	$ (150,000)	$ (150,000)			
Total Indebtedness per credit agreement	$ 2,611,136	$ 2,574,639	$ 2,553,603	$ 1,982,112	$ 1,888,924	$ 1,671,047
Less: Cash and cash equivalents (net of $150M above)	(51,587)	(83,912)	(91,214)	(228,424)	(238,014)	(195,442)
Net Debt	$ 2,559,549	$ 2,490,727	$ 2,462,389	$ 1,753,688	$ 1,650,910	$ 1,475,605

	April 1, 2023	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
ADJUSTED EBITDA (2):						
Net income attributable to common shareholders	$ 496,335	$ 486,226	$ 390,982	$ 364,304	$ 252,019	$ 226,373
Adjustments:						
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	33,284	35,498	66,004			
Less: Aggregate non-cash amount of nonrecurring gains	(29,188)	(32,638)	(42,247)	(1,361)	(310)	—
Plus: Interest expense	122,194	108,870	107,224	76,825	79,586	65,258
Plus: Provision for income taxes	141,846	130,379	81,873	81,808	50,023	54,996
Plus: Depreciation and amortization	305,639	303,870	265,540	234,924	198,095	161,779
Plus: Non-cash nonrecurring losses	28,883	16,572	8,573	16,810	427	559
Plus: Non-cash stock-based compensation	72,458	73,617	71,461	56,341	57,271	47,346
Plus: Permitted acquisition-related costs	29,222	34,453	51,256	18,750	34,827	19,181
Plus: Pro forma EBITDA adjustments for permitted acquisitions	884	5,306	4,008	8	12,320	15,648
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 1,201,557	$ 1,162,153	$ 1,004,675	$ 848,408	$ 684,259	$ 591,140

	April 1, 2023	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
LEVERAGE RATIO:						
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.17	2.22	2.54	2.34	2.76	2.83
Net leverage ratio (net debt divided by adjusted EBITDA)	2.1	2.1	2.5	2.1	2.4	2.5

	April 1, 2023	December 31, 2022	December 25, 2021
INTEREST COVERAGE RATIO:			
Capital Expenditures	351,144	326,338	232,149
Cash Interest Expense	124,431	110,731	107,389
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	6.83x	7.55x	7.19x

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(2) Pursuant to the definition in its credit agreement dated April 21. 2021, the Company has defined its pro forma leverage ratio as total debt divided by adjusted EBITDA for the trailing-twelve-month period. The Company has defined interest coverage ratio as adjusted EBITDA for the trailing-twelve-month period less the aggregate amount of capital expenditures for the trailing-twelve-period; divided by the consolidated interest expense for the period of four consecutive fiscal quarters.

Total Debt represents third-party debt and financial lease obligations minus up to $150M of unrestricted cash and cash equivalents. Adjusted EBITDA represents net income, prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), adjusted for interest, taxes, depreciation and amortization, and certain items that management believes are not reflective of the operational performance of the business. These adjustments include, but are not limited to, non-cash gains/loss on venture capital portfolios and strategic partnerships, acquisition-related expenses including transaction and advisory costs; asset impairments; changes in fair value of contingent consideration obligations; employee stock compensation; historical EBITDA of companies acquired during the period; and other items identified by the company.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF FREE CASH FLOW (NON-GAAP) [1]

(in thousands)

	Three Months Ended		Fiscal Year Ended
	April 1, 2023	March 26, 2022	December 30, 2023E
Net cash provided by operating activities	$ 109,383	$ 102,630	$680 - $730 million
Less: Capital expenditures	(106,875)	(80,464)	$340 - $360 million
Free cash flow	$ 2,508	$ 22,166	$330 - $380 million

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

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