

1Q25 Regulation G Financial Reconciliations & Appendix



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

	Three Months Ended	
	March 29, 2025	March 30, 2024
Research Models and Services		
Revenue	\$ 213,073	\$ 220,907
Operating income	43,605	43,149
Operating income as a % of revenue	20.5 %	19.5 %
Add back:		
Amortization related to acquisitions ⁽²⁾	12,687	10,288
Acquisition, integration, and divestiture-related adjustments ⁽³⁾	14	163
Severance	229	540
Asset impairment	319	5,225
Site consolidation charges	876	1,621
Total non-GAAP adjustments to operating income	<u>\$ 14,125</u>	<u>\$ 17,837</u>
Operating income, excluding non-GAAP adjustments	\$ 57,730	\$ 60,986
Non-GAAP operating income as a % of revenue	27.1 %	27.6 %
Depreciation and amortization	\$ 21,761	\$ 18,123
Capital expenditures	\$ 7,286	\$ 20,044
Discovery and Safety Assessment		
Revenue	\$ 592,609	\$ 605,452
Operating income	93,952	114,839
Operating income as a % of revenue	15.9 %	19.0 %
Add back:		
Amortization related to acquisitions ⁽²⁾	18,171	18,596
Acquisition, integration, and divestiture-related adjustments ⁽³⁾	1,061	192
Severance	4,979	5,484
Asset impairment	9,786	25
Site consolidation charges	2,777	982
Third-party legal costs and certain related items ⁽⁴⁾	10,970	2,191
Total non-GAAP adjustments to operating income	<u>\$ 47,744</u>	<u>\$ 27,470</u>
Operating income, excluding non-GAAP adjustments	\$ 141,696	\$ 142,309
Non-GAAP operating income as a % of revenue	23.9 %	23.5 %
Depreciation and amortization	\$ 42,084	\$ 45,789
Capital expenditures	\$ 34,521	\$ 48,959
Manufacturing Solutions		
Revenue	\$ 178,486	\$ 185,201
Operating income (loss)	(8,620)	33,681
Operating income (loss) as a % of revenue	(4.8)%	18.2 %
Add back:		
Amortization related to acquisitions ⁽²⁾	46,077	10,793
Acquisition, integration, and divestiture-related adjustments ⁽³⁾	—	699
Severance	2,204	1,523
Asset impairment	201	—
Site consolidation charges	1,306	100
Total non-GAAP adjustments to operating income	<u>\$ 49,788</u>	<u>\$ 13,115</u>
Operating income, excluding non-GAAP adjustments	\$ 41,168	\$ 46,796
Non-GAAP operating income as a % of revenue	23.1 %	25.3 %
Depreciation and amortization	\$ 54,623	\$ 19,805
Capital expenditures	\$ 17,279	\$ 8,862

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	
	March 29, 2025	March 30, 2024
CONTINUED FROM PREVIOUS NEXT SLIDE		
Unallocated Corporate Overhead	\$ (54,268)	\$ (65,692)
Add back:		
Acquisition, integration, and divestiture-related adjustments ⁽³⁾	730	1,529
Severance	1,002	1,490
Site consolidation charges	166	—
Total non-GAAP adjustments to operating expense	<u>\$ 1,898</u>	<u>\$ 3,019</u>
Unallocated corporate overhead, excluding non-GAAP adjustments	\$ (52,370)	\$ (62,673)
Total		
Revenue	\$ 984,168	\$ 1,011,560
Operating income	74,669	125,977
Operating income as a % of revenue	7.6 %	12.5 %
Add back:		
Amortization related to acquisitions ⁽²⁾	76,935	39,677
Acquisition, integration, and divestiture-related adjustments ⁽³⁾	1,805	2,583
Severance	8,414	9,037
Asset impairment	10,306	5,250
Site consolidation charges	5,125	2,703
Third-party legal costs and certain related items ⁽⁴⁾	10,970	2,191
Total non-GAAP adjustments to operating income	<u>\$ 113,555</u>	<u>\$ 61,441</u>
Operating income, excluding non-GAAP adjustments	\$ 188,224	\$ 187,418
Non-GAAP operating income as a % of revenue	19.1 %	18.5 %
Depreciation and amortization	\$ 120,364	\$ 85,357
Capital expenditures	\$ 59,324	\$ 79,144

⁽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⁾ Amortization related to acquisitions includes \$35.5 million of accelerated amortization of certain client relationships in the Biologics Solutions reporting unit within the Manufacturing Solutions segment. The remaining value of this client relationship is \$38.0 million and will be amortized over the remaining useful life of approximately 3 months in fiscal year 2025.

⁽³⁾ These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain third-party integration, certain compensation costs, and related costs; as well as fair value adjustments associated with contingent consideration arrangements.

⁽⁴⁾ Third-party legal costs are related to investigations by the U.S. government into the NHP supply chain applicable to our DSA business.

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

(in thousands, except per share data)

	Three Months Ended	
	March 29, 2025	March 30, 2024
Net income available to Charles River Laboratories International, Inc. common shareholders	\$ 25,469	\$ 67,329
Add back:		
Adjustment of redeemable noncontrolling interest ⁽²⁾	—	401
Incremental dividends attributable to noncontrolling interest holders ⁽³⁾	—	5,230
Non-GAAP adjustments to operating income ⁽⁴⁾	112,393	61,441
Venture capital and strategic equity investment (gains) losses, net	9,969	(5,762)
(Gain) loss on divestitures ⁽⁵⁾	(3,376)	658
Tax effect of non-GAAP adjustments:		
Non-cash tax provision related to international financing structure ⁽⁶⁾	—	341
Tax effect of the remaining non-GAAP adjustments	(25,345)	(12,028)
Net income available to Charles River Laboratories International, Inc. common shareholders, excluding non-GAAP adjustments	\$ 119,110	\$ 117,610
Weighted average shares outstanding - Basic	50,677	51,437
Effect of dilutive securities:		
Stock options, restricted stock units and performance share units	176	405
Weighted average shares outstanding - Diluted	50,853	51,842
Earnings per share attributable to common shareholders:		
Basic	\$ 0.50	\$ 1.31
Diluted	\$ 0.50	\$ 1.30
Basic, excluding non-GAAP adjustments	\$ 2.35	\$ 2.29
Diluted, excluding non-GAAP adjustments	\$ 2.34	\$ 2.27

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

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

⁽⁴⁾ This amount excludes non-GAAP adjustments attributable to noncontrolling interest holders.

⁽⁵⁾ The amount included in 2025 relates to a gain on the sale of a DSA site while the amount included in 2024 relates to a loss on the sale of a DSA site.

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

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

Three Months Ended March 29, 2025	<u>Total CRL</u>	<u>RMS Segment</u>	<u>DSA Segment</u>	<u>MS Segment</u>
Revenue growth, reported	(2.7)%	(3.5)%	(2.1)%	(3.6)%
(Increase) decrease due to foreign exchange	0.9 %	1.0 %	0.6 %	1.4 %
Impact of divestitures ⁽²⁾	— %	— %	0.1 %	— %
Non-GAAP revenue growth, organic ⁽³⁾	<u>(1.8)%</u>	<u>(2.5)%</u>	<u>(1.4)%</u>	<u>(2.2)%</u>

⁽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⁾ Impact of divestitures relates to the sale of a site within DSA.

⁽³⁾ 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 27, 2025E

2025 GUIDANCE	CURRENT	PRIOR
Revenue growth/(decrease), reported	(5.5)% – (3.5)%	(7.0)% – (4.5)%
Impact of divestitures/(acquisitions), net	N/M	N/M
(Favorable)/unfavorable impact of foreign exchange	~1.0%	1.0% – 1.5%
Revenue growth/(decrease), organic (1)	(4.5)% – (2.5)%	(5.5)% – (3.5)%
GAAP EPS estimate	\$4.35 – \$4.85	\$4.30 - \$4.80
Acquisition-related amortization and other acquisition- and integration-related costs (2)	~\$3.50	~\$3.50
Costs associated with restructuring actions (3)	~\$1.00	~\$1.00
Certain venture capital and other strategic investment losses/(gains), net (4)	~\$0.15	--
Other items (5)	~\$0.30	~\$0.30
Non-GAAP EPS estimate	\$9.30 – \$9.80	\$9.10 – \$9.60

Footnotes to Guidance Table:

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

(2) These adjustments include amortization related to intangible assets, inclusive of the acceleration of amortization expense related to certain CDMO client relationships, as well as the purchase accounting step-up on inventory and certain long-term biological assets. In addition, these adjustments include some costs related to the evaluation and integration of acquisitions and divestitures.

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

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

(5) These items primarily relate to certain third-party legal costs related to investigations by the U.S. government into the NHP supply chain related to our DSA segment.

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

	Three Months Ended		
	March 29, 2025	December 28, 2024	March 30, 2024
Income (loss) before income taxes & noncontrolling interests	\$ 35,978	\$ (216,791)	\$ 99,011
Add back:			
Amortization related to acquisitions ⁽²⁾	76,935	53,736	39,677
Acquisition and integration-related adjustments ⁽³⁾	1,805	17,902	2,583
Severance	8,414	12,715	9,037
Goodwill impairment ⁽⁴⁾	—	215,000	—
Asset impairments	10,306	24,916	5,250
Site consolidation charges	5,125	4,312	2,703
Third-party legal costs and certain related items ⁽⁵⁾	10,970	38,634	2,191
Venture capital and strategic equity investment (gains) losses, net	9,969	21,690	(5,762)
(Gain) loss on divestitures ⁽⁶⁾	(3,376)	—	658
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	<u>\$ 156,126</u>	<u>\$ 172,114</u>	<u>\$ 155,348</u>
Provision for (benefit from) income taxes (GAAP)	\$ 10,100	\$ (3,044)	\$ 24,529
Non-cash tax benefit related to international financing structure ⁽⁷⁾	—	(314)	(341)
Enacted tax law changes	—	(230)	—
Tax effect of the remaining non-GAAP adjustments	<u>25,345</u>	<u>37,122</u>	<u>12,028</u>
Provision for income taxes (Non-GAAP)	<u>\$ 35,445</u>	<u>\$ 33,534</u>	<u>\$ 36,216</u>
Total rate (GAAP)	28.1 %	1.4 %	24.8 %
Total rate, excluding specified charges (Non-GAAP)	22.7 %	19.5 %	23.3 %

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⁽²⁾ Amortization related to acquisitions includes \$35.5 million of accelerated amortization of certain client relationships in the Biologics Solutions reporting unit within the Manufacturing Solutions segment. The remaining value of this client relationship is \$38.0 million and will be amortized over the remaining useful life of approximately 3 months in fiscal year 2025.

⁽³⁾ These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain third-party integration, certain compensation costs, and related costs; as well as fair value adjustments associated with contingent consideration arrangements.

⁽⁴⁾ In December 2024, a triggering event was identified for the Biologics Solutions reporting unit from a loss of key customers, ultimately resulting in a reduction in Biologics Solutions' long range financial outlook. As a result, the Company recognized a goodwill impairment charge of \$215.0 million.

⁽⁵⁾ Third-party legal costs are related to investigations by the U.S. government into the NHP supply chain applicable to our DSA business.

⁽⁶⁾ The amount included in 2025 relates to a gain on the sale of a DSA site while the amount included in 2024 relates to a loss on the sale of a DSA site.

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

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

	March 29, 2025	December 28, 2024	December 30, 2023	December 31, 2022	December 25, 2021	December 26, 2020
DEBT ⁽²⁾:						
Total Debt & Finance Leases	\$ 2,514,223	\$ 2,243,134	\$ 2,652,717	\$ 2,711,208	\$ 2,666,359	\$ 1,979,784
Plus: Other adjustments per credit agreement	50,220	49,311	33,265	13,431	37,244	2,328
Less: Unrestricted Cash and Cash Equivalents up to \$150M	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	—
Total Indebtedness per credit agreement	\$ 2,414,443	\$ 2,142,445	\$ 2,535,982	\$ 2,574,639	\$ 2,553,603	\$ 1,982,112
Less: Cash and cash equivalents (net of \$150M above)	(79,356)	(44,606)	(126,771)	(83,912)	(91,214)	(228,424)
Net Debt	\$ 2,335,087	\$ 2,097,839	\$ 2,409,211	\$ 2,490,727	\$ 2,462,389	\$ 1,753,688

	March 29, 2025	December 28, 2024	December 30, 2023	December 31, 2022	December 25, 2021	December 26, 2020
ADJUSTED EBITDA ⁽²⁾:						
Net income (loss) available to Charles River Laboratories International, Inc. common shareholders	\$ (31,563)	\$ 10,297	\$ 474,624	\$ 486,226	\$ 390,982	\$ 364,304
Adjustments:						
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	36,791	20,627	(79,288)	35,498	66,004	—
Less: Aggregate non-cash amount of nonrecurring gains	—	—	—	(32,638)	(42,247)	(1,361)
Plus: Interest expense	119,171	126,288	136,710	108,870	107,224	76,825
Plus: Provision for income taxes	53,394	67,823	100,914	130,379	81,873	81,808
Plus: Depreciation and amortization	396,748	361,741	314,124	303,870	265,540	234,924
Plus: Non-cash nonrecurring losses	305,981	299,976	44,077	16,572	8,573	16,810
Plus: Non-cash stock-based compensation	66,288	69,891	72,048	73,617	71,461	56,341
Plus: Permitted acquisition-related costs	11,406	11,612	15,639	34,453	51,256	18,750
Plus: Pro forma EBITDA adjustments for permitted acquisitions	—	—	18,542	5,306	4,008	8
Adjusted EBITDA (per the calculation defined in compliance certificates)	\$ 958,216	\$ 968,255	\$ 1,097,390	\$ 1,162,153	\$ 1,004,675	\$ 848,408

	March 29, 2025	December 28, 2024	December 30, 2023	December 31, 2022	December 25, 2021	December 26, 2020
LEVERAGE RATIO:						
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.52	2.21	2.31	2.22	2.54	2.34
Net leverage ratio (net debt divided by adjusted EBITDA)	2.4	2.2	2.2	2.1	2.5	2.1

	March 29, 2025	December 28, 2024	December 30, 2023	December 31, 2022	December 25, 2021
INTEREST COVERAGE RATIO:					
Capital Expenditures	213,147	232,967	323,050	326,338	232,149
Cash Interest Expense	119,554	127,119	139,545	110,731	107,389
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	6.23x	5.78x	5.55x	7.55x	7.19x

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⁽²⁾ Pursuant to the definition in its credit agreement dated December 13, 2024, 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 and divestiture-related expenses including transaction and advisory costs; asset impairments; changes in fair value of contingent consideration obligations; employee stock compensation; historical EBITDA of companies acquired during the period; and other items identified by the company.

Total Debt and EBITDA have not been restated for periods prior to Q4 2024 for the most recent amendment or any previous amendments.

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

	Three Months Ended		2025 Guidance
	March 29, 2025	March 30, 2024	FYE December 27, 2025E
Net cash provided by operating activities	\$ 171,697	\$ 129,888	\$580,000-\$620,000
Less: Capital expenditures	(59,324)	(79,144)	~(230,000)
Free cash flow	<u>\$ 112,373</u>	<u>\$ 50,744</u>	<u>\$350,000-\$390,000</u>

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

	Three Months Ended
	December 28, 2024
Unallocated Corporate Overhead	\$ (61,764)
Add back:	
Acquisition and integration-related adjustments ⁽²⁾	8,120
Severance	309
Asset impairment	1,239
Site consolidation charges	200
Total non-GAAP adjustments to operating expense	\$ 9,868
Unallocated corporate overhead, excluding non-GAAP adjustments	\$ (51,896)

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CRL

LISTED

NYSE


charles river