Charles River Laboratories 4Q 2024 Results & 2025 Guidance

February 19, 2025

Safe Harbor

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

Forward-looking statements are based on Charles River’s current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to: NHP supply constraints and the investigations by the U.S. Department of Justice, including the impact on our projected future financial performance, the impact of actions intended to restrict the availability of purpose-bred NHPs from Cambodia, the timing of the resumption of Cambodia NHP imports, and our ability to manage supply impact; changes and uncertainties in the global economy and financial markets, including any changes in business, political, or economic conditions due to the November 16, 2022 announcement by the U.S. Department of Justice through the U.S. Attorney’s Office for the Southern District of Florida that a Cambodian NHP supplier and two Cambodian officials had been criminally charged in connection with illegally importing NHPs into the United States; the ability to successfully integrate businesses we acquire, including Noveprim; our ability to identify and implement growth opportunities; the balance of our financial outlook; the timing, methodology, and magnitude of our share repurchases; negative trends in research and development spending, negative trends in the level of outsourced services, or other cost reduction actions by our clients; the ability to leverage and convert backlog to revenue; special interest groups; contaminations; industry trends; new displacement technologies; USDA and FDA regulations; changes in law; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in tax regulation and laws; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 14, 2024, as well as other filings we make with the Securities and Exchange Commission. Because forward- looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Charles River, and Charles River assumes no obligation and expressly disclaims any duty to update information contained in this presentation except as required by law.

Regulation G

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

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Update on Market Environment

- Our view of biopharma demand remains consistent with our last update
- Overall, DSA demand KPIs were stable compared to 3Q24
  - Including net book-to-bill ratio
- Expect similar trends throughout 2025
- Many of our global biopharma clients continue to move forward with restructuring and pipeline reprioritization activities, which are expected to constrain early-stage spending again in 2025
- Small and mid-sized biotech clients continued to benefit from a more favorable funding environment through end of 2024, compared to previous two years
- Expect biotech demand trends will be stable to slightly improved in 2025 vs. last year
- Combined trends are expected to result in flattish DSA demand sequentially within 2025
  - However, expect study volume to be at a lower level than in 2024 because many global biopharma clients reset their budgets in the middle of last year

Update on Market Environment, cont.

- Closely monitoring trends:
  - Clients' R&D spending patterns
  - Funding environment
  - Interest rates
  - New biotech company formations (which have slowed over past couple of years)
- Believe our expectations for 2025 are appropriately measured

2025 Guidance

- Primary factors influencing 2025 outlook are as follows:
  - Expect a stabilizing DSA demand environment, with anticipated headwind from lower DSA pricing throughout the year
  - Lower commercial revenue in CDMO business which will reduce consolidated revenue by ~1%
  - Site consolidation actions expected to reduce revenue by 50 bps
- Reported revenue also includes a foreign exchange (FX) headwind of 1.0%-1.5%
- Have taken significant actions to protect the operating margin and shareholder value, including restructuring initiatives expected to yield annualized savings of ~$225M in 2026, of which >$175M will be realized in 2025
- However, will not be able to fully offset revenue decline in 2025, particularly in DSA segment
- Expected to result in a modestly lower consolidated operating margin in 2025

2025 Guidance, cont.

Revenue growth, reported	(7.0)%-(4.5)%
Impact of divestitures/(acquisitions), net	N/M
(Favorable)/unfavorable impact of FX	1.0%-1.5%
Revenue growth, organic	(5.5)%-(3.5)%
GAAP EPS estimate	$4.30-$4.80
Acquisition-related amortization and other acquisition and integration-related costs	~$3.50
Costs associated with restructuring actions	~$1.00
Other items	~$0.30
Non-GAAP EPS estimate	$9.10-$9.60

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

4Q24 & FY 2024 Revenue

($ in millions, except per share amounts)	4Q24	4Q23	YOY Δ	Organic Δ	2024	2023	YOY Δ	Organic Δ
Revenue	$1,002.5	$1,013.5	(1.1)%	(1.8)%	$4,050.0	$4,129.4	(1.9)%	(2.8)%

- Full-year revenue slightly outperformed the range we provided in November, led by a better-than-expected 4Q24 performance for RMS segment and a robust year end for Microbial Solutions
- Sales to both global biopharma and small and mid-sized biotech clients declined for the full year, but pleased to see revenue from small and mid-sized biotech clients return to growth in 4Q24 for the first time since 3Q23

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

4Q24 & FY 2024 Operating Margin

	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
GAAP OM%	(16.7)%	13.1%	NM	5.6%	14.9%	(930) bps
Non-GAAP OM%	19.9%	19.1%	80 bps	19.9%	20.3%	(40) bps

- 4Q24 non-GAAP operating margin improvement principally driven by lower unallocated corporate costs and margin expansion in Manufacturing segment
- Cost-saving initiatives also helped limit margin declines in DSA and RMS segments
- FY 2024 non-GAAP operating margin decline primarily driven by DSA segment as well as higher unallocated costs
- On a GAAP basis, recorded a $215M goodwill impairment in 4Q24 related to the Biologics Solutions reporting unit (includes both Biologics Testing and CDMO businesses)

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

4Q24 & FY 2024 EPS

	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
GAAP EPS	($4.22)	$3.62	NM	$0.20	$9.22	(97.8)%
Non-GAAP EPS	$2.66	$2.46	8.1%	$10.32	$10.67	(3.3)%

- 4Q24 non-GAAP EPS improvement was due to:
  - Operating margin expansion
  - Favorable below-the-line items, including reductions in:
    - Interest expense
    - Tax rate
    - Share count
- FY 2024 non-GAAP EPS declined due primarily to lower revenue and operating margin, partially offset by benefit of cost-saving initiatives
- 4Q24 / FY 2024 GAAP EPS declined primarily due to $215M goodwill impairment and loss on certain venture capital and other strategic investments

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

DSA Results – Revenue

($ in millions)	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
Revenue, reported	$603.3	$625.8	(3.6)%	$2,451.3	$2,615.6	(6.3)%
(Favorable)/unfavorable impact of FX			(0.1)%			(0.2)%
Impact of divestitures			0.2%			0.3%
Revenue growth, organic			(3.5)%			(6.2)%

- Revenue decline reflected lower study volume and slightly lower pricing
- As anticipated, Safety Assessment (SA) pricing turned negative in 4Q24 as the moderating pricing environment started to work from the backlog into the revenue stream
- In current environment, pricing has become a point of discussion with clients, particularly small and mid-sized biotech
- Strategically and selectively utilized pricing and other commercial enhancements—including better integration of DSA sales force—with the goal to gain additional market share
- Believe pricing strategy has been successful as demonstrated by an improved DSA capture rate during 2024

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

DSA Results, cont.

- DSA demand KPIs were stable in 4Q24, including net book-to-bill ratio and cancellation rate
- Net book-to-bill remained below 1x in 4Q24, with global biopharma and small and mid-sized biotech client segments in a similar range consistent with 3Q24
- This followed a divergence in trends during 2Q24 that resulted in revenue to global biopharma clients taking a step down in 2H24, which will continue to impact 2025
- Cancellations also remained at lower levels in 4Q24 – consistent with levels for most of 2024 – and closer to targeted levels
  - Believe that clients have largely completed the process of cancelling lower priority programs that remained in our backlog
- Key for DSA segment to return to revenue growth will be sustained improvement in booking activity which has not yet occurred
- For FY 2024, DSA revenue decreased 6.2% on an organic basis, consistent with our expectation in November that DSA revenue would be favorable to our previous outlook of a high-single-digit decline
- At year end, DSA backlog modestly declined to $1.97B, from $2.12B at end of 3Q24

2025 DSA Outlook

- DSA revenue expected to decline at a mid- to high-single-digit rate on an organic basis in 2025, slightly less favorable than in 2024
- Both lower pricing and study volume expected to have a similar impact on the 2025 decline
- Expect study volume will be relatively stable sequentially throughout 2025 for global biopharma and biotech client segments
  - But at a lower level than in 2024 due primarily to softer demand from global biopharma clients that emerged in 2H24
- In addition, lower realized DSA pricing will add an incremental headwind in 2025 that was not present last year, when realized pricing was essentially flat for FY 2024
- At this time, have not assumed any meaningful improvement in DSA demand during 2025, so quarterly gating of DSA revenue dollars should be relatively consistent over the course of the year
  - Aside from a modest, seasonal impact in 1Q25

Update on NHP Supply

- In recent weeks, non-human primate (NHP) supply has made headlines due to a recent proposal at the Standing Committee meeting of CITES (international body that oversees trade of animals including NHPs used in biomedical research) to potentially suspend trade of NHPs from Cambodia
- Pleased that CITES did not enact a trade suspension at the meeting in early February and postponed the agenda item until the end of 2025
- Decision underscores international community's strong support for a fair, accurate, and science-based review process, providing necessary time to review facts and counteract misinformation being disseminated by other groups
- To be clear: CRL firmly believes that any action to restrict availability of purpose-bred NHPs from Cambodia could have significant and unintended consequences that will impact biomedical research globally
- Legally sourced NHPs are critical, regulatory-required models to help ensure human patient safety and advance biologic drug development for the global biopharma industry
- CRL will continue to work collaboratively with regulatory agencies, government officials, industry trade associations, and biopharma clients to promote safety and educate our partners about the scientific importance of NHPs, particularly when viable alternatives do not exist

Update on NHP Supply, cont.

- We will continue to work diligently to diversify and secure our supply chain by procuring NHPs under various supply arrangements outside of Cambodia
  - Including through our controlling interest in Noveprim in Mauritius
- Will be able to utilize an increasing number of Mauritius NHPs in our DSA segment after 2026
- In Appendix of this presentation, updated certain key statistics for 2024 that were included in our NHP report last year

DSA Results – Operating Margin

	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
DSA GAAP OM%	10.4%	20.2%	(980) bps	18.1%	23.2%	(510) bps
DSA Non-GAAP OM%	24.7%	26.0%	(130) bps	25.7%	27.5%	(180) bps

- Both 4Q24 and FY 2024 non-GAAP operating margin declines were driven primarily by lower revenue, partially offset by benefit from cost savings

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

RMS Results – Revenue

($ in millions)	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
Revenue, reported	$204.3	$195.8	4.3%	$829.4	$792.3	4.7%
(Favorable)/unfavorable impact of FX			0.1%			0.2%
Contribution from acquisitions			(4.8)%			(5.0)%
Revenue growth, organic			(0.4)%			(0.1)%

- For both 4Q24 and FY 2024, lower revenue for RM services (including CRADL™), NHP sales in China, and Cell Solutions was mostly offset by higher sales of small research models in all geographic regions, principally driven by higher pricing
- Cell Solutions growth rate in 2024 was impacted by consolidation of its operations to its largest California site

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

RMS 2025 Outlook – Research Models

- For 2025, RMS revenue is expected to increase at a low-single-digit rate, driven primarily by:
  - Higher pricing in North American and European small models businesses
  - Improved growth prospects for research model services (including CRADL™)
  - Higher NHP sales to Noveprim third-party clients
- Unit volumes for small research models continued to be lower in 2024, due in large part to softer biopharma spending; however, higher pricing and higher revenue from academic institutions more than offset unit declines
- Expect similar trends in 2025, with higher pricing in North America and Europe more than offsetting lower unit volumes
- Also expect small models revenue in China will be flattish, as the life sciences environment continues to be somewhat challenged
- Direct exposure to NIH represents <2% of total CRL revenue, largely Insourcing contracts
  - Small research models are critical components of academic research projects and considered direct research costs
  - Will closely monitor the health of our academic and government client base
- Overall, large models are not expected to be a significant contributor to RMS revenue growth in 2025, as anticipated increases in Noveprim's third-party NHP revenue will be partially offset by lower NHP revenue in China

RMS 2025 Outlook – Services

- Demand for RM services expected to rebound and become a notable contributor to RMS revenue growth in 2025
- GEMS expected to get back on track as clients increasingly utilize these services to support complex research efforts and maintenance of their genetically modified model colonies
- Moderate growth of CRADL™ operations expected to deliver improved top-line performance in 2025, primarily driven by new CRADL™ sites
  - To limit risk in this tighter budgetary environment, new sites will either have dedicated or anchor clients
- Clients continuing to view CRADL™ as an attractive model to access flexible vivarium space without having to invest in internal infrastructure
  - Provides a powerful value proposition for clients who are looking to reduce costs and conserve capital

RMS Results – Operating Margin

	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
RMS GAAP OM%	6.7%	18.9%	(1,220) bps	13.8%	19.5%	(570) bps
RMS Non-GAAP OM%	22.8%	23.1%	(30) bps	23.7%	23.0%	70 bps

- For FY 2024, non-GAAP operating margin improvement was due to:
  - Higher pricing for small research models
  - Cost savings related to restructuring initiatives
  - Favorable revenue mix related to higher sales of NHPs due to Noveprim acquisition
- Expect similar drivers will contribute to RMS operating margin in 2025

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

Manufacturing Results – Revenue

($ in millions)	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
Revenue, reported	$194.9	$191.9	1.6%	$769.3	$721.4	6.6%
(Favorable)/unfavorable impact of FX			0.5%			0.2%
Revenue growth, organic			2.1%			6.8%

- Slower 4Q24 growth rate primarily driven by lower commercial revenue in CDMO business, offset by robust, year-end performance for Microbial Solutions
- These same drivers – robust Microbial Solutions growth offset by lower CDMO revenue – will likely result in essentially flat Manufacturing revenue on an organic basis in 2025
- Biologics Testing benefited in 2024 from certain client projects that will not repeat, which will result in a moderated growth rate in 2025

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

Manufacturing Outlook – CDMO

- As mentioned recently, expect lower revenue from two commercial CDMO clients will reduce revenue in 2025:
  - Consolidated revenue by ~1%
  - Manufacturing segment revenue by >5%
- Despite commercial setbacks, believe our efforts over past two years to enhance CDMO operations have established a solid foundation for this business through investments in facilities, leadership, and scientific expertise
- Although demand in the cell and gene therapy sector is not as robust as it was when we acquired the business in 2021, believe attractive, long-term growth opportunities exist
- Have a healthy pipeline of biotech clients with early-stage clinical candidates ready to help move the CDMO business forward

Manufacturing Outlook – Microbial Solutions

- Microbial Solutions reported strong year-end performance with solid growth across all three testing platforms:
  - Endosafe® endotoxin testing
  - Celsis® bioburden testing
  - Accugenix® microbial identification solutions
- Endosafe® continued to lead the way with robust growth for testing consumables, as well as another strong quarter for instrument placements
- Believe 2024 performance thoroughly demonstrated that demand for Microbial products has rebounded and that clients are increasingly utilizing our comprehensive, rapid, manufacturing quality-control testing solutions to enhance product-release testing speed and efficiency

Manufacturing Results – Operating Margin

	4Q24	4Q23	YOY Δ	2024	2023	YOY Δ
Manufacturing GAAP OM%	(93.6)%	18.5%	NM	(9.3)%	12.2%	NM
Manufacturing Non-GAAP OM%	28.7%	25.4%	330 bps	27.4%	21.8%	560 bps

- Non-GAAP operating margin expansion was driven by operating leverage from improved demand in Microbial Solutions and Biologics Testing businesses and our continued focus on generating greater efficiencies across all business, including CDMO
- Believe Manufacturing segment remains on track to reach its goal and return to a non-GAAP operating margin above the 30% level within a couple of years
- GAAP operating margin declines driven by $215M goodwill impairment

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

Concluding Remarks

- Currently operating in a challenging biopharma demand environment with continued constrained client spending, but believe demand trends are stabilizing
- On the positive side, biotechs are trending favorably and have not seen signs of further deterioration from global biopharmaceutical clients; however, also not forecasting a recovery in 2025
- Taking decisive action to manage the Company through the current environment, including:
  - Appropriately right-sizing our infrastructure
  - Eliminating >5% of our cost structure
- Remain committed to initiatives to generate more revenue, contain costs, and protect shareholder value

To Ensure Future Success, We Continue to Make Progress on Strategic Actions in Three Main Areas

1. Restructuring and other initiatives to manage costs and generate greater efficiency by:
   - Reducing staffing levels to align with pace of demand
   - Optimizing global footprint
   - Streamlining processes and operations
   - Have made meaningful progress on this front and continue to selectively evaluate additional opportunities to cut costs and drive efficiency
   - Now expect to generate ~$225M of annualized cost savings from these initiatives
2. Concentrating on commercial enhancements to promote a client-centric focus and gain additional market share
   - Goal is to enhance client experience and reinforce our role as a flexible and responsive partner to clients, including through leveraging technology such as our Apollo™ platform and RMS e-commerce initiatives
   - As mentioned earlier, enhancements to DSA sales force and dynamic pricing strategy enabled us to gain market share over the past year

To Ensure Future Success, We Continue to Make Progress on Strategic Actions in Three Main Areas, cont.

3. Taking a balanced approach to capital allocation and regularly revisiting best uses of capital
   - Very pleased that leverage remains low, in the low 2x range
   - As have routinely done, continue to evaluate select M&A candidates
   - Based on the anticipated capital needs this year and coupled with our belief that we are currently undervalued, believe it is an opportune time to allocate free cash flow to stock repurchases in 2025 under our $1B authorization
   - Intend to repurchase ~$350M in stock over the next 1-2 months, which exceeds our initial goal of $100.7M last year to offset annual dilution from equity awards

Concluding Remarks, cont.

- We have navigated challenges before, and believe our strategic actions will enable us to emerge from this period as a stronger, leaner, and more profitable company, and an even more responsive partner for our clients
- Have always distinguished ourselves through our exquisite science and preclinical focus, extending our leading position as our clients' preferred, global, non-clinical drug development partner

4Q24 Results

($ in millions, except per share amounts)	4Q24	4Q23	YOY Δ	Organic Δ
Revenue	$1,002.5	$1,013.5	(1.1)%	(1.8)%
GAAP OM%	(16.7)%	13.1%	NM	
Non-GAAP OM%	19.9%	19.1%	80 bps	
GAAP EPS	($4.22)	$3.62	NM	
Non-GAAP EPS	$2.66	$2.46	8.1%	

- 4Q24 revenue and non-GAAP EPS were slightly better than annual outlook
- Outperformance was largely driven by better-than-expected RMS results and a robust year-end for Microbial Solutions

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

Decisive Actions We Have Taken to Navigate Headwinds

- Aggressive actions to rationalize costs and align infrastructure with the current demand
  - Restructuring initiatives are expected to result in ~$225M in annualized cost savings in 2026, including >$175M realized this year, slightly ahead of our prior target
  - Multi-year cost savings program is expected to reduce our cost structure by >5% through headcount reductions and network rationalization efforts, the majority of which are underway and are on track
- Repurchased $100.7M in stock in Q3 2024, achieving initial goal to offset annual share count dilution from equity awards
  - Intend to increase the level of stock repurchases in 2025 to ~$350M
  - Believe allocating free cash flow to stock repurchases in 2025 will be prudent because of:
    - Lower leverage levels
    - Current valuation, which is depressed because of the current industry headwinds but also does not ascribe enough value to the favorable, long-term growth fundamentals that we expect to again re-emerge once the biopharmaceutical industry refocuses on investing in their pipelines
- Particularly pleased with our strong free cash flow generation of $501.6M in 2024
  - Achievement reflects the effectiveness of our tightly managed capital expenditures, disciplined working capital management, and the early success of our cost-savings initiatives
  - By maintaining a balanced approach to capital deployment, we continue to demonstrate our commitment to enhance long-term shareholder value

2025 Guidance

	2025 Guidance
Revenue growth/(decrease), reported	(7.0)%-(4.5)%
Revenue growth/(decrease), organic	(5.5)%-(3.5)%
GAAP EPS	$4.30-$4.80
Non-GAAP EPS	$9.10-$9.60

- Constrained biopharmaceutical spending environment is expected to persist into 2025
- FX is expected to be a 1.0%-1.5% headwind to reported revenue

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

2025 Segment Revenue Outlook

	2025 Reported Revenue Growth	2025 Organic Revenue Growth(1)
RMS	Approximately flat	Low-single-digit growth
DSA	High-single-digit decline	Mid- to high-single-digit decline
Manufacturing	Low-single-digit decline	Approximately flat
Consolidated	(7.0)%-(4.5)% decline	(5.5)%-(3.5)% decline

- RMS: Higher pricing for small research models and improved demand for research model services, including selective new CRADL™ site openings
- DSA: Global biopharmaceutical clients will continue to constrain spending and reprioritize their pipelines, as well as from lower DSA pricing
- Manufacturing: Lower commercial revenue in the CDMO business partially offset by another robust year for Microbial Solutions business

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

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Operating Margin

- 2025 consolidated non-GAAP operating margin will be modestly lower from 19.9% in 2024
  - Cost savings associated with restructuring initiatives will not fully offset the lower revenue
    - Particularly true in the DSA segment, for which we expect an operating margin decline
  - Opportunities for operating margin expansion in the RMS and Manufacturing segments

Unallocated Corporate Expenses

($ in millions)	4Q24	4Q23	2024	2023
GAAP	$61.8	$65.9	$258.1	$231.8
Non-GAAP	$51.9	$62.6	$231.3	$219.5

- Expect non-GAAP unallocated corporate expenses in 2025 to be approximately 5% of total revenue
  - Corporate costs expected to decrease in 2025 because of benefits from cost-saving actions
- Non-GAAP unallocated corporate expenses normalized in 4Q24 to 5.2% of revenue, primarily driven by lower performance-based bonus accruals
- Non-GAAP increase of 40 bps in 2024 to 5.7% of total revenue was primarily attributable to higher health and fringe-related costs throughout the year

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Tax Rate

($ in millions)	4Q24	4Q23	2024	2023
GAAP	1.4%	9.5%	72.8%	17.4%
Non-GAAP	19.5%	21.6%	21.3%	22.1%

- Non-GAAP tax rate for 2025 expected to be in the range of 22.5%-23.5%, an increase from 21.3% in 2024
- Anticipated increase is principally due to an increase in the Global Minimum Tax, as well as a modest impact related to stock-based compensation
- In addition, do not expect discrete tax items which benefited 2024 to repeat
- The headwind from stock-based compensation will cause 1Q25 tax rate to be in the mid-20% range
  - More pronounced impact on the 1H25 tax rate based on timing of vesting of equity awards at current stock price levels

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Net Interest Expense

($ in millions)	4Q24	4Q23	2024	2023
Interest expense, net	$26.4	$32.0	$117.7	$131.5

- Total adjusted net interest expense in 2025 expected to be in a range of $112M-$117M, compared to $117.7M in 2024
  - Slight decrease will be primarily driven by lower interest rates on floating-rate debt
  - Expect to borrow during 2025 to balance the timing of the stock repurchases earlier in the year with the free cash flow that we will generate
    - Overall, expect debt balances will be similar by the end of 2025
- In 2024:
  - Lowered net interest expense by repaying ~$400M in debt, the highest repayment in recent years
  - Gross and net leverage was 2.2x at the end of 4Q24
  - Amended existing credit agreement in December to establish a revolver with borrowing capacity of up to $2.0B, reduced from our previous $3.0B facility due to our lower current leverage and anticipated capital needs
    - Able to obtain competitive pricing on this new agreement
  - Outstanding debt of $2.2B (~two-thirds at a fixed rate) at the end of 4Q24, compared to $2.3B at the end of 3Q24

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

Cash Flow

($ in millions)	4Q24	4Q23	2024	2023	2025 Guidance
Free cash flow (FCF)	$83.7	$142.6	$501.6	$365.4	$350-$390
Capex	$75.6	$78.3	$233.0	$318.5	~$230
Depreciation	$48.4	$46.5	$190.2	$176.7	~$180
Amortization (1)	$53.7	$34.0	$171.5	$137.4	~$230

- Expect 2025 FCF will be in a range of $350-$390M
  - YOY decrease driven by lower earnings, higher working capital to build inventories particularly for NHPs, and stabilization of receivables after favorable collections in 2024
- Capex for 2025 is expected to be ~6% of total revenue, or ~$230M, essentially flat from 2024 levels
  - Projects primarily related to a mix of maintenance capital and the completion of ongoing projects
  - Outlook reflects our disciplined approach to aligning capacity and capital investments with client demand, and is well below our peak capex in recent years of 8.2% of revenue

(1) Beginning in 2024, amortization presented to include all amortization and inventory step-up items, including amortization of intangible assets, amortization of inventory fair value adjustments included in cost of products sold or costs of services provided, and amortization of biological assets principally related to the Noveprim acquisition. In addition, amortization includes accelerated amortization of certain client relationships in the Biologics Solutions reporting unit within the Manufacturing segment.

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

2025 Guidance Summary

	GAAP	Non-GAAP
Revenue growth/(decrease)	(7.0)%-(4.5%) reported	(5.5)%-(3.5)% organic[(1)]
Unallocated corporate	>5% of revenue	~5% of revenue
Operating margin	Low-teens OM%	Modestly below 2024 level of 19.9%
Net interest expense	$112M-$117M	$112M-$117M
Tax rate	23%-24%	22.5%-23.5%
EPS	$4.30-$4.80	$9.10-$9.60
Cash flow	Operating cash flow $580M-$620M	Free cash flow $350M-$390M
Capital expenditures	~6% of revenue	~6% of revenue

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

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

1Q25 Outlook

	1Q25 Outlook
Reported revenue YOY	Mid-to-high-single-digit decline
Organic revenue YOY	Mid-single-digit decline
Non-GAAP EPS	At least $2.00

- 1Q25 revenue outlook reflects typical seasonality impact in the DSA and Biologics Testing businesses, as well as a modest headwind from the timing of NHP shipments to third-party RMS clients
- 1Q25 non-GAAP EPS decline from 4Q24 primarily driven by:
  - Lower operating margin due in part to seasonal business trends and timing of NHP shipments
  - Expect meaningfully higher tax rate in mid-20% range, reflecting headwind from stock-based compensation
  - Unallocated corporate costs remaining slightly above 5% of revenue
- Expect revenue and non-GAAP operating margin will improve after 1Q25, as we move beyond the seasonal trends at the beginning of the year

Closing Remarks

- We are confident in our ability to emerge from this period of softer demand as a stronger, more agile organization
- Our decisive actions, including aggressive cost optimization initiatives, stock repurchases, and a disciplined approach to capital management, demonstrate our commitment to enhancing shareholder value
- We believe our leaner infrastructure will position us well to capitalize on new business opportunities when they emerge and drive sustainable, profitable growth in the future

4Q24/FY24
Regulation G Financial Reconciliations & Appendix

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FX Exchange (FX) Impact *(% of total revenue)*	2024 Revenue	2025E FX Rates
U.S. Dollar	68%	—
Euro	18%	1.04
British Pound	6%	1.25
Chinese Yuan (renminbi)	3%	0.14
Canadian Dollar	2%	0.69
Other currencies	3%	—

Updated NHP Supply Statistics - 2024

- In 2024, slightly above 30% of DSA segment revenue was generated from NHP-related safety assessment studies
  - Relatively consistent with 2022 and 2023 levels
- In 2024, CRL's global NHP usage for safety assessment studies totaled ~11,000 models
  - Compared to 10,874 in 2023
- CRL has committed annually disclose when a country of origin exceeds 30% of our globally sourced NHPs for use in our Safety Assessment business
  - In 2024, only Mauritius exceeded the 30% threshold (with approximately half of CRL NHPs globally sourced)
  - For reference, Cambodia was slightly below the 30% threshold in 2024 (down from 30%-50% in 2023)
  - The respective NHPs sourced from each country of origin will fluctuate annually based on the timing of shipments, age of the model colonies, and other factors
  - In addition to Mauritius and Cambodia, other countries of NHP import that did not meet the 30% threshold in 2024 included, but are not limited to: Vietnam

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

	Three Months Ended		Twelve Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Research Models and Services				
Revenue	$ 204,257	$ 195,781	$ 829,377	$ 792,343
Operating income	13,770	37,013	114,411	154,666
Operating income as a % of revenue	6.7 %	18.9 %	13.8 %	19.5 %
Add back:				
Amortization related to acquisitions [2]	11,327	5,359	38,058	21,742
Acquisition and integration-related adjustments [3]	93	311	430	2,742
Severance	1,220	215	4,905	1,180
Site consolidation and impairment charges	20,129	2,299	39,021	2,299
Total non-GAAP adjustments to operating income	$ 32,769	$ 8,184	$ 82,414	$ 27,963
Operating income, excluding non-GAAP adjustments	$ 46,539	$ 45,197	$ 196,825	$ 182,629
Non-GAAP operating income as a % of revenue	22.8 %	23.1 %	23.7 %	23.0 %
Depreciation and amortization	$ 20,762	$ 14,260	$ 73,812	$ 55,570
Capital expenditures	$ 27,591	$ 17,050	$ 64,134	$ 52,819
Discovery and Safety Assessment				
Revenue	$ 603,349	$ 625,785	$ 2,451,280	$ 2,615,623
Operating income	62,859	126,288	442,510	606,076
Operating income as a % of revenue	10.4 %	20.2 %	18.1 %	23.2 %
Add back:				
Amortization related to acquisitions [2]	22,301	19,477	81,013	72,457
Acquisition and integration-related adjustments [3]	9,636	256	17,133	3,489
Severance	8,095	1,739	28,558	3,740
Site consolidation and impairment charges	7,454	13,804	11,122	25,023
Third-party legal costs and certain related items [4]	38,634	991	49,648	7,387
Total non-GAAP adjustments to operating income	$ 86,120	$ 36,267	$ 187,474	$ 112,096
Operating income, excluding non-GAAP adjustments	$ 148,979	$ 162,555	$ 629,984	$ 718,172
Non-GAAP operating income as a % of revenue	24.7 %	26.0 %	25.7 %	27.5 %
Depreciation and amortization	$ 49,857	$ 45,057	$ 191,126	$ 174,719
Capital expenditures	$ 37,180	$ 49,414	$ 128,356	$ 204,891
Manufacturing Solutions				
Revenue	$ 194,943	$ 191,910	$ 769,332	$ 721,443
Operating income (loss)	(182,552)	35,545	(71,453)	88,329
Operating income (loss) as a % of revenue	(93.6)%	18.5 %	(9.3)%	12.2 %
Add back:				
Amortization related to acquisitions [2]	20,108	11,083	52,471	45,393
Acquisition and integration-related adjustments [3]	53	127	1,439	6,417
Severance	3,091	1,757	11,177	5,802
Goodwill impairment [5]	215,000	—	215,000	—
Site consolidation and impairment charges	206	219	1,798	3,337
Third-party legal costs [4]	—	39	—	8,233
Total non-GAAP adjustments to operating income	$ 238,458	$ 13,225	$ 281,885	$ 69,182
Operating income, excluding non-GAAP adjustments	$ 55,906	$ 48,770	$ 210,432	$ 157,511
Non-GAAP operating income as a % of revenue	28.7 %	25.4 %	27.4 %	21.8 %
Depreciation and amortization	$ 29,788	$ 20,305	$ 89,964	$ 79,982
Capital expenditures	$ 10,320	$ 11,185	$ 38,500	$ 58,134

CONTINUED ON NEXT SLIDE

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

	Three Months Ended		Twelve Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
CONTINUED FROM PREVIOUS SLIDE				
Unallocated Corporate Overhead	$ (61,764)	$ (65,924)	$ (258,121)	$ (231,810)
Add back:				
Acquisition and integration-related adjustments [3]	8,120	2,462	15,839	11,422
Severance	309	889	9,546	889
Site consolidation and impairment charges	1,439	—	1,439	—
Total non-GAAP adjustments to operating expense	$ 9,868	$ 3,351	$ 26,824	$ 12,311
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (51,896)	$ (62,573)	$ (231,297)	$ (219,499)
Total				
Revenue	$ 1,002,549	$ 1,013,476	$ 4,049,989	$ 4,129,409
Operating income (loss)	(167,687)	132,922	227,347	617,261
Operating income (loss) as a % of revenue	(16.7)%	13.1 %	5.6 %	14.9 %
Add back:				
Amortization related to acquisitions [2]	53,736	35,919	171,542	139,592
Acquisition and integration-related adjustments [3]	17,902	3,156	34,841	24,070
Severance	12,715	4,600	54,186	11,611
Goodwill impairment [5]	215,000	—	215,000	—
Site consolidation and impairment charges	29,228	16,322	53,380	30,659
Third-party legal costs and certain related items [4]	38,634	1,030	49,648	15,620
Total non-GAAP adjustments to operating income	$ 367,215	$ 61,027	$ 578,597	$ 221,552
Operating income, excluding non-GAAP adjustments	$ 199,528	$ 193,949	$ 805,944	$ 838,813
Non-GAAP operating income as a % of revenue	19.9 %	19.1 %	19.9 %	20.3 %
Depreciation and amortization	$ 102,104	$ 80,514	$ 361,741	$ 314,124
Capital expenditures	$ 75,616	$ 78,323	$ 232,967	$ 318,528

(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 $9.4 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 $75.9 million and will be amortized over the remaining useful life of approximately 6 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 (a) an environmental litigation related to the Microbial Solutions business, which concluded in 2023 and (b) investigations by the U.S. government into the NHP supply chain applicable to our DSA business. Additionally within DSA, a $27 million inventory charge was incurred to write down inventory associated with the Cambodia-sourced non-human primate matter from February 16, 2023.

(5) 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.

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

	Three Months Ended		Twelve Months Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Net income (loss) available to Charles River Laboratories International, Inc. common shareholders	$ (215,699)	$ 187,084	$ 10,297	$ 474,624
Add back:				
Adjustment of redeemable noncontrolling interest [2]	(1,081)	—	—	—
Incremental dividends attributable to noncontrolling interest holders [3]	2,285	—	11,906	—
Non-GAAP adjustments to operating income [4]	365,993	61,027	575,324	221,552
Venture capital and strategic equity investment (gains) losses, net	21,690	(105,919)	12,519	(93,515)
(Gain) loss on divestitures [5]	—	(34)	658	961
Other [6]	—	877	—	1,372
Tax effect of non-GAAP adjustments:				
Non-cash tax provision related to international financing structure [7]	314	991	1,818	4,694
Enacted tax law changes	230	—	3,826	—
Tax effect of the remaining non-GAAP adjustments	(37,122)	(16,860)	(83,445)	(60,789)
Net income attributable to Charles River Laboratories International, Inc. common shareholders, excluding non-GAAP adjustments	$ 136,610	$ 127,166	$ 532,903	$ 548,899
Weighted average shares outstanding - Basic	51,138	51,311	51,380	51,227
Effect of dilutive securities:				
Stock options, restricted stock units and performance share units	219	313	248	224
Weighted average shares outstanding - Diluted	51,357	51,624	51,628	51,451
Earnings (loss) per share attributable to common shareholders:				
Basic	$ (4.22)	$ 3.65	$ 0.20	$ 9.27
Diluted [8]	$ (4.22)	$ 3.62	$ 0.20	$ 9.22
Basic, excluding non-GAAP adjustments	$ 2.67	$ 2.48	$ 10.37	$ 10.72
Diluted, excluding non-GAAP adjustments	$ 2.66	$ 2.46	$ 10.32	$ 10.67

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

(6) Amounts included in 2023 relate to transfer taxes paid in connection with the Noveprim Group acquisition and a final adjustment on the termination of a Canadian pension plan.

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

(8) Net loss available to Charles River Laboratories International, Inc. per common share excludes the effect of dilution and is computed using basic weighted-average number of shares outstanding for the three month period ended December 28, 2024

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

Three Months Ended December 28, 2024	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	(1.1)%	4.3 %	(3.6)%	1.6 %
(Increase) decrease due to foreign exchange	0.1 %	0.1 %	(0.1)%	0.5 %
Contribution from acquisitions [2]	(0.9)%	(4.8)%	— %	— %
Impact of divestitures [3]	0.1 %	— %	0.2 %	— %
Non-GAAP revenue growth, organic [4]	**(1.8)%**	**(0.4)%**	**(3.5)%**	**2.1 %**

Twelve Months Ended December 28, 2024	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	(1.9)%	4.7 %	(6.3)%	6.6 %
(Increase) decrease due to foreign exchange	(0.1)%	0.2 %	(0.2)%	0.2 %
Contribution from acquisitions [2]	(1.0)%	(5.0)%	— %	— %
Impact of divestitures [3]	0.2 %	— %	0.3 %	— %
Non-GAAP revenue growth, organic [4]	**(2.8)%**	**(0.1)%**	**(6.2)%**	**6.8 %**

(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) Impact of divestitures relates to the sale of a site within our Safety Assessment business.

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

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 27, 2025E

2025 GUIDANCE	
Revenue growth/(decrease), reported	(7.0)% – (4.5)%
Impact of divestitures/(acquisitions), net	N/M
(Favorable)/unfavorable impact of foreign exchange	1.0% – 1.5%
Revenue growth/(decrease), organic (1)	(5.5)% – (3.5)%
GAAP EPS estimate	$4.30 - $4.80
Acquisition-related amortization and other acquisition- and integration-related costs (2)	~$3.50
Costs associated with restructuring actions (3)	~$1.00
Other items (4)	~$0.30
Non-GAAP EPS estimate	$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, 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) 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 Safety Assessment business.

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

	Three Months Ended			Twelve Months Ended	
	December 28, 2024	September 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Income (loss) before income taxes & noncontrolling interests	$ (216,791)	$ 91,241	$ 208,706	$ 93,114	$ 581,284
Add back:					
Amortization related to acquisitions [2]	53,736	39,706	35,919	171,542	139,592
Acquisition and integration-related adjustments [3]	17,902	5,939	3,156	34,841	24,070
Severance	12,715	26,536	4,600	54,186	11,611
Goodwill impairment [4]	215,000	—	—	215,000	—
Site consolidation and impairment charges	29,228	4,144	16,322	53,380	30,659
Third-party legal costs and certain related items [5]	38,634	6,713	1,030	49,648	15,620
Venture capital and strategic equity investment (gains) losses, net	21,690	(2,507)	(105,919)	12,519	(93,515)
(Gain) loss on divestitures [6]	—	—	(34)	658	961
Other [7]	—	—	877	—	1,372
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	$ 172,114	$ 171,772	$ 164,657	$ 684,888	$ 711,654
Provision for (benefit from) income taxes (GAAP)	$ (3,044)	$ 20,946	$ 19,754	$ 67,823	$ 100,914
Non-cash tax benefit related to international financing structure [8]	(314)	(292)	(991)	(1,818)	(4,694)
Enacted tax law changes	(230)	(3,596)	—	(3,826)	—
Tax effect of the remaining non-GAAP adjustments	37,122	19,608	16,860	83,445	60,789
Provision for income taxes (Non-GAAP)	$ 33,534	$ 36,666	$ 35,623	$ 145,624	$ 157,009
Total rate (GAAP)	1.4 %	23.0 %	9.5 %	72.8 %	17.4 %
Total rate, excluding specified charges (Non-GAAP)	19.5 %	21.3 %	21.6 %	21.3 %	22.1 %

(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 $9.4 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 $75.9 million and will be amortized over the remaining useful life of approximately 6 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 (a) an environmental litigation related to the Microbial Solutions business, which concluded in 2023 and (b) investigations by the U.S. government into the NHP supply chain applicable to our DSA business. Additionally within DSA, a $27 million inventory charge was incurred to write down inventory associated with the Cambodia-sourced non-human primate matter from February 16, 2023.

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

(7) Amounts included in 2023 relate to transfer taxes paid in connection with the Noveprim Group acquisition and a final adjustment on the termination of a Canadian pension plan.

(8) 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 [1]
(dollars in thousands, except for per share data)

DEBT [2]:	**December 28, 2024**	**December 30, 2023**	**December 31, 2022**	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**
Total Debt & Finance Leases	$ 2,243,134	$ 2,652,717	$ 2,711,208	$ 2,666,359	$ 1,979,784	$ 1,888,211
Plus: Other adjustments per credit agreement	49,311	33,265	13,431	37,244	2,328	712
Less: Unrestricted Cash and Cash Equivalents up to $150M	(150,000)	(150,000)	(150,000)	(150,000)	—	—
Total Indebtedness per credit agreement	$ 2,142,445	$ 2,535,982	$ 2,574,639	$ 2,553,603	$ 1,982,112	$ 1,888,924
Less: Cash and cash equivalents (net of $150M above)	(44,606)	(126,771)	(83,912)	(91,214)	(228,424)	(238,014)
Net Debt	$ 2,097,839	$ 2,409,211	$ 2,490,727	$ 2,462,389	$ 1,753,688	$ 1,650,910

ADJUSTED EBITDA [2]:	**December 28, 2024**	**December 30, 2023**	**December 31, 2022**	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**
Net income available to Charles River Laboratories International, Inc. common shareholders	$ 10,297	$ 474,624	$ 486,226	$ 390,982	$ 364,304	$ 252,019
Adjustments:						
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	20,627	(79,288)	35,498	66,004	—	—
Less: Aggregate non-cash amount of nonrecurring gains	—	—	(32,638)	(42,247)	(1,361)	(310)
Plus: Interest expense	126,288	136,710	108,870	107,224	76,825	79,586
Plus: Provision for income taxes	67,823	100,914	130,379	81,873	81,808	50,023
Plus: Depreciation and amortization	361,741	314,124	303,870	265,540	234,924	198,095
Plus: Non-cash nonrecurring losses	299,976	44,077	16,572	8,573	16,810	427
Plus: Non-cash stock-based compensation	69,891	72,048	73,617	71,461	56,341	57,271
Plus: Permitted acquisition-related costs	11,612	15,639	34,453	51,256	18,750	34,827
Plus: Pro forma EBITDA adjustments for permitted acquisitions	—	18,542	5,306	4,008	8	12,320
Adjusted EBITDA (per the calculation defined in compliance certificates)	$ 968,255	$ 1,097,390	$ 1,162,153	$ 1,004,675	$ 848,408	$ 684,259

LEVERAGE RATIO:	**December 28, 2024**	**December 30, 2023**	**December 31, 2022**	**December 25, 2021**	**December 26, 2020**	**December 28, 2019**
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.21	2.31	2.22	2.54	2.34	2.76
Net leverage ratio (net debt divided by adjusted EBITDA)	2.2	2.2	2.1	2.5	2.1	2.4

INTEREST COVERAGE RATIO:	**December 28, 2024**	**December 30, 2023**	**December 31, 2022**	**December 25, 2021**
Capital Expenditures	232,967	323,050	326,338	232,149
Cash Interest Expense	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)	5.78x	5.55x	7.55x	7.19x

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

[2] Pursuant to the definition in its credit agreement dated 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) [1]
(in thousands)

	Three Months Ended		Twelve Months Ended		2025 Guidance
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023	FYE December 27, 2025E
Net cash provided by operating activities	$ 159,362	$ 220,943	$ 734,577	$ 683,898	$580,000-$620,000
Less: Capital expenditures	(75,616)	(78,323)	(232,967)	(318,528)	~(230,000)
Free cash flow	$ 83,746	$ 142,620	$ 501,610	$ 365,370	$350,000-$390,000

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

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

	Three Months Ended September 28, 2024
Unallocated Corporate Overhead	$ (76,763)
Add back:	
Acquisition and integration-related adjustments [2]	4,082
Severance	6,443
Total non-GAAP adjustments to operating expense	$ 10,525
Unallocated corporate overhead, excluding non-GAAP adjustments	$ (66,238)

(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 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.

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