



Charles River Laboratories Provides Update on Planned Divestitures

February 25, 2026 at 7:00 AM EST

– Announces Signing of Definitive Agreements to Divest the CDMO and Cell Solutions Businesses and Certain European Discovery Services Assets –

– Updates 2026 Financial Guidance –

WILMINGTON, Mass.--(BUSINESS WIRE)--Feb. 25, 2026-- Charles River Laboratories International, Inc. (NYSE: CRL) today announced that it has signed definitive agreements to sell certain European Discovery Services assets as well as the CDMO and Cell Solutions businesses in separate transactions.

James C. Foster, Chair, President and Chief Executive Officer, said, "We are pleased to announce these planned divestitures today to demonstrate our continued progress on the actions outlined as part of the comprehensive strategic review conducted last year. We have decided to divest these assets after carefully evaluating our core capabilities and determining those that will drive the most synergistic growth with our broader portfolio going forward. We believe these actions will refine and further strengthen our portfolio, and will also enhance shareholder value by executing on our plans to drive long-term growth, greater efficiency, and operational excellence."

Planned Divestiture of CDMO and Cell Solutions Businesses

Charles River has signed a definitive agreement to divest its CDMO and Cell Solutions businesses to GI Partners, primarily for future, contingent performance-based payments. The CDMO business provides services related to the production of advanced therapies for gene-modified cell therapies, as well as gene therapies including viral vectors and plasmid DNA; and the Cell Solutions business provides human-derived cellular materials used in the development and production of cell therapies.

The Company will sell its CDMO sites in Tennessee, Maryland, and the United Kingdom and its Cell Solutions site in California. The businesses generated combined annual revenue of \$143 million in 2025, including \$117 million in the Manufacturing Solutions segment and \$26 million in the Research Models and Services (RMS) segment. The transaction is expected to close during the second quarter of 2026, subject to customary closing conditions.

Planned Divestiture of Certain European Discovery Services Assets

Separately, Charles River has signed a definitive agreement to divest certain European assets within its Discovery Services business to IQVIA Holdings Inc. for approximately \$145 million in cash, subject to customary closing adjustments. In addition to the initial proceeds, the transaction includes potential additional payments to Charles River of up to \$10 million. The Company will sell certain discovery services capabilities totaling \$144 million in 2025 annual revenue in the Discovery and Safety Assessment (DSA) segment, and the transaction is expected to close during the second quarter of 2026, subject to customary closing conditions.

The Company plans to divest five European sites that include certain discovery services capabilities in the following areas:

- *In vitro* drug discovery services that primarily include medicinal chemistry and structural biology services (Cambridge, UK site); and
- Certain pharmacology services, primarily in the areas of oncology, neuroscience, immunology, and advanced cell biology (Freiburg, Germany; Kuopio, Finland; Portishead, UK; and Leiden, Netherlands sites).

Charles River will retain other drug discovery capabilities totaling approximately 40% of its Discovery Services revenue in 2025.

Updates 2026 Guidance

The Company is updating its financial guidance for 2026, which was initially provided on February 18, 2026, for the impact of the planned divestitures. The updated financial guidance assumes both transactions close during the second quarter of 2026. The planned divestitures are expected to reduce reported revenue by slightly more than \$200 million in 2026, including more than a 50-basis-point reduction to organic revenue growth guidance. The transactions are expected to generate at least 100 basis points of incremental non-GAAP operating margin improvement in 2026 and add approximately \$0.10 to non-GAAP earnings per share for the partial year.

The Company's updated 2026 guidance for revenue and non-GAAP earnings per share is as follows:

2026 GUIDANCE INCLUDING THE IMPACT OF THE PLANNED DIVESTITURES (1)

Revenue growth, reported (prior)	At Least Flat to +1.5%
Less: Revenue impact from planned divestitures	~(5.0)%
Revenue growth/(decrease) including divestiture impact, reported	(5.0)% - (3.5)%

Revenue growth/(decrease), organic (prior)	(1.0)% to At Least Flat
Less: Organic revenue impact from planned divestitures	>(0.5)%
Revenue growth/(decrease) including divestiture impact, organic	(1.5)% - (0.5)%
Charles River non-GAAP EPS estimate (prior)	\$10.70 - \$11.20
Plus: Accretion from planned divestitures (partial year)	~\$0.10
Non-GAAP EPS estimate including impact of planned divestitures (2)	\$10.80 - \$11.30

Footnotes to Guidance Table including Planned Divestitures:

(1) Assumes the planned divestitures of certain European Discovery Services assets and the CDMO and Cell Solutions businesses are completed during the second quarter of 2026.

(2) Additional items excluded from non-GAAP earnings per share are expected to include divestiture-related costs, which primarily include transaction, advisory, and certain transition costs. Estimates of these costs have not been finalized.

Use of Non-GAAP Financial Measures

This press release contains forward-looking, non-GAAP financial measures, such as non-GAAP earnings per share, non-GAAP operating margin, and non-GAAP earnings per share accretion related to the proposed divestitures described herein. These non-GAAP financial measures exclude, but are not limited to, divestiture-related costs, including transaction, advisory, and certain transition costs. The corresponding GAAP financial measures are not provided because the items that are excluded from GAAP to calculate the comparable non-GAAP measure are dependent on future events that are not able to be reliably predicted by management and are not part of routine operating activities. The Company is unable to provide such a reconciliation without unreasonable effort due to the uncertainty and inherent difficulty in predicting the occurrence, the financial impact, and the periods in which the planned aggregate divestitures may be recognized. The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact our GAAP results.

There are limitations in using non-GAAP financial measures, as they are not presented in accordance with generally accepted accounting principles, and may be different than non-GAAP financial measures used by other companies. In particular, we believe that the inclusion of supplementary non-GAAP financial measures in this press release helps investors to gain a meaningful understanding of our core operating results and future prospects without the effect of these often-one-time charges, and is consistent with how management measures and forecasts the Company's performance, especially when comparing such results to prior periods or forecasts. We believe that the financial impact of our divestitures (and in certain cases, the evaluation of such divestitures, whether or not ultimately consummated) is often large relative to our overall financial performance, which can adversely affect the comparability of our results on a period-to-period basis. In addition, certain activities and their underlying associated costs, such as business divestitures, generally occur periodically but on an unpredictable basis. Non-GAAP results also allow investors to compare the Company's operations against the financial results of other companies in the industry who similarly provide non-GAAP results. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations presented 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.

Caution Concerning Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "intend," "will," "would," "may," "estimate," "plan," "outlook," and "project," and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements also include statements regarding: the projected future financial performance of Charles River and our specific businesses, including as delineated in our forward-looking guidance, and particularly our expectations with respect to revenue, earnings per share, and operating margin; the planned divestitures of the CDMO and Cell Solutions businesses and certain European Discovery Services assets and, including expectations regarding the terms, the timing of the closings, and the impact of the planned divestitures, including on the Company's financial performance, such as revenue, growth, and earnings per share; our ability to create long-term value for our shareholders and successfully execute on our strategic initiatives, including the impact and results of the such initiatives; and the Company's plans or prospects, expectations and long-term goals associated with our business. 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: the ability to successfully complete the planned divestitures and the impact of the events described herein. 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 18, 2026, 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 press release except as required by law.

About Charles River

Charles River provides essential products and services to help pharmaceutical and biotechnology companies, government agencies and leading academic institutions around the globe accelerate their research and drug development efforts. Our dedicated employees are focused on providing clients with exactly what they need to improve and expedite the discovery, early-stage development and safe manufacture of new therapies for the patients who need them. To learn more about our unique portfolio and breadth of services, visit www.criver.com.

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