

3Q21 Regulation G Financial Reconciliations

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

	Three Months Ended		Nine Months Ended	
	September 25, 2021	September 26, 2020	September 25, 2021	September 26, 2020
Research Models and Services				
Revenue	\$ 171,258	\$ 151,910	\$ 524,862	\$ 414,455
Operating income	39,111	37,108	126,626	68,325
Operating income as a % of revenue	22.8 %	24.4 %	24.1 %	16.5 %
Add back:				
Amortization related to acquisitions	5,344	4,010	16,029	15,581
Severance	-	27	7	527
Acquisition related adjustments ⁽²⁾	241	922	1,217	1,499
Site consolidation costs, impairments and other items	-	(59)	-	200
Total non-GAAP adjustments to operating income	\$ 5,585	\$ 4,900	\$ 17,253	\$ 17,807
Operating income, excluding non-GAAP adjustments	\$ 44,696	\$ 42,008	\$ 143,879	\$ 86,132
Non-GAAP operating income as a % of revenue	26.1 %	27.7 %	27.4 %	20.8 %
Depreciation and amortization	\$ 9,927	\$ 9,455	\$ 29,450	\$ 27,333
Capital expenditures	\$ 18,026	\$ 3,552	\$ 29,521	\$ 15,585
Discovery and Safety Assessment				
Revenue	\$ 531,823	\$ 461,177	\$ 1,573,095	\$ 1,342,424
Operating income	116,548	90,348	312,011	234,872
Operating income as a % of revenue	21.9 %	19.6 %	19.8 %	17.5 %
Add back:				
Amortization related to acquisitions	20,983	22,191	64,807	68,326
Severance	(180)	423	1,160	3,987
Acquisition related adjustments ⁽²⁾	(9,316)	461	(3,642)	2,845
Site consolidation costs, impairments and other items	961	2,938	1,254	5,872
Total non-GAAP adjustments to operating income	\$ 12,448	\$ 26,013	\$ 63,579	\$ 81,030
Operating income, excluding non-GAAP adjustments	\$ 128,996	\$ 116,361	\$ 375,590	\$ 315,902
Non-GAAP operating income as a % of revenue	24.3 %	25.2 %	23.9 %	23.5 %
Depreciation and amortization	\$ 44,072	\$ 42,707	\$ 132,268	\$ 125,138
Capital expenditures	\$ 23,270	\$ 15,532	\$ 60,783	\$ 46,436
Manufacturing Solutions				
Revenue	\$ 192,856	\$ 130,213	\$ 537,153	\$ 376,064
Operating income	48,563	48,246	154,717	132,288
Operating income as a % of revenue	25.2 %	37.1 %	28.8 %	35.2 %
Add back:				
Amortization related to acquisitions	7,888	2,150	17,914	6,614
Severance	1,515	333	2,344	1,985
Acquisition related adjustments ⁽²⁾	4,116	-	4,844	(421)
Site consolidation costs, impairments and other items ⁽³⁾	1,074	169	1,114	169
Total non-GAAP adjustments to operating income	\$ 14,593	\$ 2,652	\$ 26,216	\$ 8,347
Operating income, excluding non-GAAP adjustments	\$ 63,156	\$ 50,898	\$ 180,933	\$ 140,635
Non-GAAP operating income as a % of revenue	32.7 %	39.1 %	33.7 %	37.4 %
Depreciation and amortization	\$ 13,953	\$ 6,655	\$ 34,474	\$ 19,257
Capital expenditures	\$ 13,296	\$ 5,787	\$ 34,008	\$ 13,985

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)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 25, 2021</u>	<u>September 26, 2020</u>	<u>September 25, 2021</u>	<u>September 26, 2020</u>
CONTINUED FROM PREVIOUS SLIDE				
Unallocated Corporate Overhead	\$ (48,420)	\$ (42,949)	\$ (176,299)	\$ (131,683)
Add back:				
Severance	-	36	(151)	36
Acquisition related adjustments ⁽²⁾	3,387	2,124	29,011	9,976
Other items ⁽³⁾	-	89	-	(661)
Total non-GAAP adjustments to operating expense	<u>\$ 3,387</u>	<u>\$ 2,249</u>	<u>\$ 28,860</u>	<u>\$ 9,351</u>
Unallocated corporate overhead, excluding non-GAAP adjustments	\$ (45,033)	\$ (40,700)	\$ (147,439)	\$ (122,332)
Total				
Revenue	\$ 895,937	\$ 743,300	\$ 2,635,110	\$ 2,132,943
Operating income	155,802	132,753	417,055	303,802
Operating income as a % of revenue	17.4 %	17.9 %	15.8 %	14.2 %
Add back:				
Amortization related to acquisitions	34,215	28,351	98,750	90,521
Severance	1,335	819	3,360	6,535
Acquisition related adjustments ⁽²⁾	(1,572)	3,507	31,430	13,899
Site consolidation costs, impairments and other items ⁽³⁾	2,035	3,137	2,368	5,580
Total non-GAAP adjustments to operating income	<u>\$ 36,013</u>	<u>\$ 35,814</u>	<u>\$ 135,908</u>	<u>\$ 116,535</u>
Operating income, excluding non-GAAP adjustments	\$ 191,815	\$ 168,567	\$ 552,963	\$ 420,337
Non-GAAP operating income as a % of revenue	21.4 %	22.7 %	21.0 %	19.7 %
Depreciation and amortization	\$ 68,686	\$ 59,580	\$ 198,299	\$ 174,048
Capital expenditures	\$ 55,536	\$ 26,185	\$ 129,997	\$ 78,706

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

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

(3) Other items include certain costs in our Microbial Solutions business related to environmental litigation incurred during the three and nine months ended September 25, 2021, which impacted Manufacturing Solutions; and third-party costs, net of insurance reimbursements, incurred during the three and nine months ended September 26, 2020 associated with the remediation of the unauthorized access into the Company's information systems which was detected in March 2019, which impacted Unallocated Corporate Overhead.

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

(in thousands, except per share data)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 25, 2021</u>	<u>September 26, 2020</u>	<u>September 25, 2021</u>	<u>September 26, 2020</u>
Net income attributable to common shareholders	\$ 103,426	\$ 102,909	\$ 253,404	\$ 221,113
Add back:				
Non-GAAP adjustments to operating income (Refer to previous schedule)	36,013	35,814	135,908	116,535
Write-off of deferred financing costs and fees related to debt financing	-	-	26,089	-
Venture capital and strategic equity investment losses (gains), net	10,367	(20,350)	17,277	(32,226)
Other ⁽²⁾	-	-	(2,942)	-
Tax effect of non-GAAP adjustments:				
Non-cash tax provision related to international financing structure ⁽³⁾	1,461	804	3,781	2,990
Enacted tax law changes	-	-	10,036	-
Tax effect of the remaining non-GAAP adjustments	(12,139)	(1,216)	(41,468)	(19,040)
Net income attributable to common shareholders, excluding non-GAAP adjustments	<u>\$ 139,128</u>	<u>\$ 117,961</u>	<u>\$ 402,085</u>	<u>\$ 289,372</u>
Weighted average shares outstanding - Basic	50,425	49,703	50,234	49,482
Effect of dilutive securities:				
Stock options, restricted stock units and performance share units	<u>1,133</u>	<u>999</u>	<u>1,126</u>	<u>889</u>
Weighted average shares outstanding - Diluted	<u>51,558</u>	<u>50,702</u>	<u>51,360</u>	<u>50,371</u>
Earnings per share attributable to common shareholders:				
Basic	\$ 2.05	\$ 2.07	\$ 5.04	\$ 4.47
Diluted	\$ 2.01	\$ 2.03	\$ 4.93	\$ 4.39
Basic, excluding non-GAAP adjustments	\$ 2.76	\$ 2.37	\$ 8.00	\$ 5.85
Diluted, excluding non-GAAP adjustments	\$ 2.70	\$ 2.33	\$ 7.83	\$ 5.74

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(2) Includes adjustments related to the gain on an immaterial divestiture and the finalization of the annuity purchase related to the termination of the Company's U.S. pension plan.

(3) This adjustment 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 September 25, 2021	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	20.5 %	12.7 %	15.3 %	48.1 %
Decrease (increase) due to foreign exchange	(1.0)%	(1.4)%	(0.9)%	(1.1)%
Contribution from acquisitions ⁽²⁾	(5.9)%	(0.6)%	(1.4)%	(27.9)%
Non-GAAP revenue growth, organic ⁽³⁾	13.6 %	10.7 %	13.0 %	19.1 %
Nine Months Ended September 25, 2021	Total CRL	RMS Segment	DSA Segment	MS Segment
Revenue growth, reported	23.5 %	26.6 %	17.2 %	42.8 %
Decrease (increase) due to foreign exchange	(2.6)%	(3.5)%	(2.1)%	(3.5)%
Contribution from acquisitions ⁽²⁾	(4.2)%	(1.5)%	(0.9)%	(18.9)%
Non-GAAP revenue growth, organic ⁽³⁾	16.7 %	21.6 %	14.2 %	20.4 %

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

(3) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions 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 25, 2021E

2021 GUIDANCE	CURRENT	PRIOR
Revenue growth, reported	19.5% – 20.5%	20.5% – 22.5%
Less: Contribution from acquisitions/ divestitures, net (1)	(4.0%) – (4.5%)	~(5.0%)
Unfavorable/(favorable) impact of foreign exchange	(1.5%) – (2.0%)	~(2.5%)
Revenue growth, organic (2)	13.5% – 14.5%	13% – 15%
GAAP EPS estimate	\$7.05 – \$7.15	\$6.55 – \$6.80
Acquisition-related amortization	\$1.90 – \$1.95	\$1.90 – \$2.00
Acquisition and integration-related adjustments (3)	\$0.65 – \$0.70	\$0.70 – \$0.80
Gain on the sale of RMS Japan	~(\$0.40)	--
Other items (4)	~\$0.70	\$0.70 – \$0.75
Venture capital and other strategic investment losses/(gains), net (5)	\$0.26	\$0.10
Non-GAAP EPS estimate	\$10.20 – \$10.30	\$10.10 – \$10.35
Free cash flow (6)	~\$500 million	~\$500 million

Footnotes to Guidance Table:

- (1) The contribution from acquisitions/divestitures (net) reflects only those transactions that have been completed.
- (2) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures, and foreign currency translation.
- (3) These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, and certain third-party integration costs, as well as adjustments related to contingent consideration and certain costs associated with acquisition-related efficiency initiatives.
- (4) These items primarily relate to charges of a) approximately \$0.30 associated with U.S. and international tax legislation, and b) approximately \$0.40 associated with debt extinguishment costs and the write-off of deferred financing costs related to debt refinancing.
- (5) Venture capital and other strategic investment performance only includes recognized gains or losses. The Company does not forecast the future performance of these investments.
- (6) Reconciliation of the current 2021 free cash flow guidance is as follows: Cash flow from operating activities of approximately \$720 million, less capital expenditures of approximately \$220 million, equates to free cash flow of approximately \$500 million.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP TO NON-GAAP

SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)⁽¹⁾

(in thousands, except percentages)

	Three Months Ended	
	June 26, 2021	
Unallocated Corporate Overhead	\$	(66,261)
Add back:		
Acquisition related adjustments ⁽²⁾		15,064
Other items		—
Total non-GAAP adjustments to operating expense	\$	15,064
Unallocated corporate overhead, excluding non-GAAP adjustments	\$	(51,197)

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

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

	Three Months Ended			Nine Months Ended	
	September 25, 2021	June 26, 2021	September 26, 2020	September 25, 2021	September 26, 2020
Income before income taxes & noncontrolling interests	\$ 123,270	\$ 127,496	\$ 135,276	\$ 317,068	\$ 274,687
Add back:					
Amortization related to acquisitions	34,215	34,334	28,351	98,750	90,521
Severance	1,335	1,463	819	3,360	6,535
Acquisition related adjustments ⁽²⁾	(1,572)	16,674	3,507	31,430	13,899
Site consolidation costs, impairments and other items ⁽³⁾	2,035	146	3,137	2,368	5,580
Write-off of deferred financing costs and fees related to debt financing	-	110	-	26,089	-
Venture capital and strategic equity investment losses (gains), net	10,367	(9,809)	(20,350)	17,277	(32,226)
Other ⁽⁴⁾	-	(572)	-	(2,942)	-
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	<u>\$ 169,650</u>	<u>\$ 169,842</u>	<u>\$ 150,740</u>	<u>\$ 493,400</u>	<u>\$ 358,996</u>
Provision for income taxes (GAAP)	\$ 18,111	\$ 37,580	\$ 32,665	\$ 58,058	\$ 53,571
Non-cash tax benefit related to international financing structure ⁽⁵⁾	(1,461)	(1,285)	(804)	(3,781)	(2,990)
Enacted tax law changes	-	(10,036)	-	(10,036)	-
Tax effect of the remaining non-GAAP adjustments	<u>12,139</u>	<u>8,316</u>	<u>1,216</u>	<u>41,468</u>	<u>19,040</u>
Provision for income taxes (Non-GAAP)	<u>\$ 28,789</u>	<u>\$ 34,575</u>	<u>\$ 33,077</u>	<u>\$ 85,709</u>	<u>\$ 69,621</u>
Total rate (GAAP)	14.7 %	29.5 %	24.1 %	18.3 %	19.5 %
Total rate, excluding specified charges (Non-GAAP)	17.0 %	20.4 %	21.9 %	17.4 %	19.4 %

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

⁽³⁾ Other items include certain costs in our Microbial Solutions business related to environmental litigation incurred during the three and nine months ended September 25, 2021, which impacted Manufacturing Solutions; and third-party costs, net of insurance reimbursements, incurred during the three and nine months ended September 26, 2020 associated with the remediation of the unauthorized access into the Company's information systems which was detected in March 2019, which impacted Unallocated Corporate Overhead.

⁽⁴⁾ Includes adjustments related to the gain on an immaterial divestiture and the finalization of the annuity purchase related to the termination of the Company's U.S. pension plan.

⁽⁵⁾ This adjustment relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE⁽¹⁾
(in thousands)

	Three Months Ended			Fiscal Year Ended
	September 25, 2021	June 26, 2021	September 26, 2020	December 25, 2021E
GAAP Interest expense, net	\$ 16,318	\$ 16,019	\$ 18,688	\$83,000-\$85,000
Exclude:				
Write-off of deferred financing costs and fees related to debt financing	-	(110)	-	(26,000)
Non-GAAP Interest expense, net	16,318	15,909	18,688	57,000-59,000
Adjustments for foreign exchange forward contract and related interest expense, net ⁽²⁾	4,417	4,907	-	23,000
Adjusted Interest expense, net	<u>\$ 20,735</u>	<u>\$ 20,816</u>	<u>\$ 18,688</u>	<u>\$80,000-\$82,000</u>

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⁽²⁾ Amounts reported in total adjusted interest expense include a \$5.0 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended September 25, 2021; and a \$5.4 million gain on a forward contract and \$0.1 million of additional interest expense for the three months ended June 26, 2021.

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)

	September 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
DEBT (2):										
Total Debt & Finance Leases	\$ 2,894,950	\$ 1,979,784	\$ 1,888,211	\$ 1,668,014	\$ 1,145,104	\$ 1,235,009	\$ 863,031	\$ 777,863	\$ 663,789	\$ 666,520
Plus: Other adjustments per credit agreement	\$ 61,329	\$ 2,328	\$ 712	\$ 3,033	\$ 298	\$ 3,621	\$ 1,370	\$ 2,828	\$ 9,787	\$ 9,680
Less: Unrestricted Cash and Cash Equivalents up to \$150M	\$ (150,000)									
Total Indebtedness per credit agreement	\$ 2,806,279	\$ 1,982,112	\$ 1,888,924	\$ 1,671,047	\$ 1,145,402	\$ 1,238,630	\$ 864,401	\$ 780,691	\$ 673,576	\$ 676,200
Less: Cash and cash equivalents (net of \$150M above)	(71,151)	(228,424)	(238,014)	(195,442)	(163,794)	(117,626)	(117,947)	(160,023)	(155,927)	(109,685)
Net Debt	\$ 2,735,129	\$ 1,753,688	\$ 1,650,910	\$ 1,475,605	\$ 981,608	\$ 1,121,004	\$ 746,454	\$ 620,668	\$ 517,649	\$ 566,515

	September 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
ADJUSTED EBITDA (2):										
Net income attributable to common shareholders	\$ 396,595	\$ 364,304	\$ 252,019	\$ 226,373	\$ 123,355	\$ 154,765	\$ 149,313	\$ 126,698	\$ 102,828	\$ 97,295
Adjustments:										
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	50,195									
Less: Aggregate non-cash amount of nonrecurring gains	(10,837)	(1,361)	(310)	—	—	(685)	(9,878)	(2,048)	—	—
Plus: Interest expense	104,028	76,825	79,586	65,258	29,777	27,709	15,072	11,950	20,969	33,342
Plus: Provision for income taxes	86,295	81,808	50,023	54,996	171,369	66,835	43,391	46,685	32,142	24,894
Plus: Depreciation and amortization	259,175	234,924	198,095	161,779	131,159	126,658	94,881	96,445	96,636	81,275
Plus: Non-cash nonrecurring losses	11,796	16,810	427	559	17,716	6,792	10,427	1,615	4,202	12,283
Plus: Non-cash stock-based compensation	67,644	56,341	57,271	47,346	44,003	43,642	40,122	31,035	24,542	21,855
Plus: Permitted acquisition-related costs	46,154	18,750	34,827	19,181	6,687	22,653	13,451	6,285	1,752	3,676
Plus: Pro forma EBITDA adjustments for permitted acquisitions	23,899	8	12,320	15,648	690	18,573	9,199	10,787	—	253
Adjusted EBITDA (per the calculation defined in compliance certificates)	\$ 1,034,943	\$ 848,408	\$ 684,259	\$ 591,140	\$ 524,756	\$ 466,942	\$ 365,978	\$ 329,452	\$ 283,071	\$ 274,873

	September 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018	December 30, 2017	December 31, 2016	December 26, 2015	December 27, 2014	December 28, 2013	December 29, 2012
LEVERAGE RATIO:										
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.71x	2.34x	2.76x	2.83x	2.2x	2.7x	2.4x	2.4x	2.4x	2.5x
Net leverage ratio (net debt divided by adjusted EBITDA)	2.6x	2.1x	2.4x	2.5x	1.9x	2.4x	2.0x	1.9x	1.8x	2.1x

	September 25, 2021	December 26, 2020
INTEREST COVERAGE RATIO:		
Capital Expenditures	228,764	166,560
Cash Interest Expense	104,096	77,145
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	7.74x	8.84x

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

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

Total Debt and EBITDA have not been restated for periods prior to Q1-2021.

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

	Three Months Ended		Nine Months Ended		Fiscal Year Ended
	September 25, 2021	September 26, 2020	September 25, 2021	September 26, 2020	December 25, 2021E
Net cash provided by operating activities	\$ 174,722	\$ 177,300	\$ 531,541	\$ 408,196	~\$720,000
Less: Capital expenditures	<u>(55,536)</u>	<u>(26,185)</u>	<u>(129,997)</u>	<u>(78,706)</u>	<u>(~220,000)</u>
Free cash flow	<u>\$ 119,186</u>	<u>\$ 151,115</u>	<u>\$ 401,544</u>	<u>\$ 329,490</u>	<u>~\$500,000</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.

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