

# 4Q23/FY23 Regulation G Financial Reconciliations & Appendix



<b>FX Exchange (FX) Impact</b> <i>(% of total revenue)</i>	<b>2023 Revenue</b>	<b>2024E FX Rates</b>
U.S. Dollar	69%	—
Euro	18%	1.10
British Pound	6%	1.28
Chinese Yuan (renminbi)	3%	0.14
Canadian Dollar	2%	0.76
Other currencies	2%	—

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

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 30, 2023</b>	<b>December 31, 2022</b>	<b>December 30, 2023</b>	<b>December 31, 2022</b>
<b>Research Models and Services</b>				
Revenue	\$ 195,781	\$ 196,109	\$ 792,343	\$ 739,175
Operating income	37,013	37,111	154,666	160,410
Operating income as a % of revenue	18.9 %	18.9 %	19.5 %	21.7 %
Add back:				
Amortization related to acquisitions	5,359	5,587	21,742	20,364
Acquisition related adjustments <sup>(2)</sup>	311	1,740	2,742	4,220
Severance	215	—	1,180	1,017
Site consolidation and impairment charges	2,299	—	2,299	—
Total non-GAAP adjustments to operating income	\$ 8,184	\$ 7,327	\$ 27,963	\$ 25,601
Operating income, excluding non-GAAP adjustments	\$ 45,197	\$ 44,438	\$ 182,629	\$ 186,011
Non-GAAP operating income as a % of revenue	23.1 %	22.7 %	23.0 %	25.2 %
Depreciation and amortization	\$ 14,260	\$ 13,449	\$ 55,570	\$ 49,274
Capital expenditures	\$ 17,050	\$ 10,897	\$ 52,819	\$ 44,136
<b>Discovery and Safety Assessment</b>				
Revenue	\$ 625,785	\$ 691,677	\$ 2,615,623	\$ 2,447,316
Operating income	126,288	156,967	606,076	532,889
Operating income as a % of revenue	20.2 %	22.7 %	23.2 %	21.8 %
Add back:				
Amortization related to acquisitions	19,477	19,901	72,457	83,154
Acquisition related adjustments <sup>(2)</sup>	256	3,934	3,489	(1,975)
Severance	1,739	—	3,740	433
Site consolidation and impairment charges <sup>(3)</sup>	13,804	181	25,023	435
Third-party legal costs <sup>(4)</sup>	991	667	7,387	3,414
Total non-GAAP adjustments to operating income	\$ 36,267	\$ 24,683	\$ 112,096	\$ 85,461
Operating income, excluding non-GAAP adjustments	\$ 162,555	\$ 181,650	\$ 718,172	\$ 618,350
Non-GAAP operating income as a % of revenue	26.0 %	26.3 %	27.5 %	25.3 %
Depreciation and amortization	\$ 45,057	\$ 44,137	\$ 174,719	\$ 179,465
Capital expenditures	\$ 49,414	\$ 55,655	\$ 204,891	\$ 189,563
<b>Manufacturing Solutions</b>				
Revenue	\$ 191,910	\$ 212,057	\$ 721,443	\$ 789,569
Operating income	35,545	26,734	88,329	167,084
Operating income as a % of revenue	18.5 %	12.6 %	12.2 %	21.2 %
Add back:				
Amortization related to acquisitions	11,083	10,030	45,393	43,416
Acquisition related adjustments <sup>(2)</sup>	127	10,004	6,417	5,813
Severance	1,757	958	5,802	1,577
Site consolidation and impairment charges	219	2,625	3,337	3,612
Third-party legal costs <sup>(4)</sup>	39	3,250	8,233	5,944
Total non-GAAP adjustments to operating income	\$ 13,225	\$ 26,867	\$ 69,182	\$ 60,362
Operating income, excluding non-GAAP adjustments	\$ 48,770	\$ 53,601	\$ 157,511	\$ 227,446
Non-GAAP operating income as a % of revenue	25.4 %	25.3 %	21.8 %	28.8 %
Depreciation and amortization	\$ 20,305	\$ 19,463	\$ 79,982	\$ 72,950
Capital expenditures	\$ 11,185	\$ 21,688	\$ 58,134	\$ 87,084

CONTINUED ON NEXT SLIDE

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

	Three Months Ended		Twelve Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
<b>CONTINUED FROM PREVIOUS SLIDE</b>				
<b>Unallocated Corporate Overhead</b>	\$ (65,924)	\$ (57,002)	\$ (231,810)	\$ (209,408)
Add back:				
Severance	889	—	889	1,061
Acquisition related adjustments <sup>(2)</sup>	2,462	2,149	11,422	10,508
Total non-GAAP adjustments to operating expense	<u>\$ 3,351</u>	<u>\$ 2,149</u>	<u>\$ 12,311</u>	<u>\$ 11,569</u>
Unallocated corporate overhead, excluding non-GAAP adjustments	\$ (62,573)	\$ (54,853)	\$ (219,499)	\$ (197,839)
<b>Total</b>				
Revenue	\$ 1,013,476	\$ 1,099,843	\$ 4,129,409	\$ 3,976,060
Operating income	132,922	163,810	617,261	650,975
Operating income as a % of revenue	13.1 %	14.9 %	14.9 %	16.4 %
Add back:				
Amortization related to acquisitions	35,919	35,518	139,592	146,934
Acquisition related adjustments <sup>(2)</sup>	3,156	17,827	24,070	18,566
Severance	4,600	958	11,611	4,088
Site consolidation and impairment charges <sup>(3)</sup>	16,322	2,806	30,659	4,047
Third-party legal costs <sup>(4)</sup>	1,030	3,917	15,620	9,358
Total non-GAAP adjustments to operating income	<u>\$ 61,027</u>	<u>\$ 61,026</u>	<u>\$ 221,552</u>	<u>\$ 182,993</u>
Operating income, excluding non-GAAP adjustments	\$ 193,949	\$ 224,836	\$ 838,813	\$ 833,968
Non-GAAP operating income as a % of revenue	19.1 %	20.4 %	20.3 %	21.0 %
Depreciation and amortization	\$ 80,514	\$ 77,545	\$ 314,124	\$ 303,870
Capital expenditures	\$ 78,323	\$ 89,024	\$ 318,528	\$ 324,733

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

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

(3) The adjustments include approximately \$13 million of asset impairment charges related to an immaterial Safety Assessment business unit divested during January 2024.

(4) Third-party legal costs are related to (a) an environmental litigation related to the Microbial Solutions business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)<sup>(4)</sup>**  
(in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Net income attributable to common shareholders	\$ 187,084	\$ 187,410	\$ 474,624	\$ 486,226
Add back:				
Non-GAAP adjustments to operating income (Refer to previous schedule)	61,027	61,026	221,552	182,993
Venture capital and strategic equity investment (gains) losses, net <sup>(2)</sup>	(105,919)	6,707	(93,515)	26,775
(Gain) loss on divestitures <sup>(3)</sup>	(34)	(123,524)	961	(123,524)
Other <sup>(4)</sup>	877	1,080	1,372	5,285
Tax effect of non-GAAP adjustments:				
Non-cash tax provision related to international financing structure <sup>(5)</sup>	991	1,024	4,694	4,648
Enacted tax law changes	—	(382)	—	(382)
Tax effect of the remaining non-GAAP adjustments	(16,860)	19,529	(60,789)	(11,399)
Net income attributable to common shareholders, excluding non-GAAP adjustments	\$ 127,166	\$ 152,870	\$ 548,899	\$ 570,622
Weighted average shares outstanding - Basic	51,311	50,906	51,227	50,812
Effect of dilutive securities:				
Stock options, restricted stock units and performance share units	313	471	224	489
Weighted average shares outstanding - Diluted	51,624	51,377	51,451	51,301
Earnings per share attributable to common shareholders:				
Basic	\$ 3.65	\$ 3.68	\$ 9.27	\$ 9.57
Diluted	\$ 3.62	\$ 3.65	\$ 9.22	\$ 9.48
Basic, excluding non-GAAP adjustments	\$ 2.48	\$ 3.00	\$ 10.72	\$ 11.23
Diluted, excluding non-GAAP adjustments	\$ 2.46	\$ 2.98	\$ 10.67	\$ 11.12

<sup>(1)</sup> 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.

<sup>(2)</sup> The gain during fiscal year 2023 relates predominantly to a gain recognized on our 49% equity interest in Noveprim Group, acquired in April 2022, which was then remeasured at fair value upon acquisition of a 90% controlling equity interest during the fourth quarter of fiscal 2023.

<sup>(3)</sup> Adjustments included in 2023 relate to the gain on sale of our Avian Vaccine business, which was divested in 2022.

<sup>(4)</sup> 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. Amounts included in 2022 relate to the sale of RMS Japan operations in October 2021 and a reversal of an indemnification asset related to a prior acquisition.

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

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

<b>Three Months Ended December 30, 2023</b>	<b>Total CRL</b>	<b>RMS Segment</b>	<b>DSA Segment</b>	<b>MS Segment</b>
Revenue growth, reported	(7.9)%	(0.2)%	(9.5)%	(9.5)%
(Increase) decrease due to foreign exchange	(1.2)%	(0.8)%	(1.3)%	(1.6)%
Contribution from acquisitions <sup>(2)</sup>	(0.7)%	(3.1)%	(0.3)%	— %
Impact of divestitures <sup>(3)</sup>	1.6 %	— %	— %	9.0 %
Effect of 53 <sup>rd</sup> week in fiscal year 2022	4.7 %	3.7 %	5.1 %	4.4 %
<b>Non-GAAP revenue growth, organic <sup>(4)</sup></b>	<b>(3.5)%</b>	<b>(0.4)%</b>	<b>(6.0)%</b>	<b>2.3 %</b>

  

<b>Twelve Months Ended December 30, 2023</b>	<b>Total CRL</b>	<b>RMS Segment</b>	<b>DSA Segment</b>	<b>MS Segment</b>
Revenue growth, reported	3.9 %	7.2 %	6.9 %	(8.6)%
(Increase) decrease due to foreign exchange	(0.2)%	0.6 %	(0.3)%	(0.4)%
Contribution from acquisitions <sup>(2)</sup>	(0.7)%	(2.9)%	(0.3)%	— %
Impact of divestitures <sup>(3)</sup>	2.0 %	— %	— %	9.8 %
Effect of 53 <sup>rd</sup> week in fiscal year 2022	1.5 %	1.0 %	1.6 %	1.2 %
<b>Non-GAAP revenue growth, organic <sup>(4)</sup></b>	<b>6.5 %</b>	<b>5.9 %</b>	<b>7.9 %</b>	<b>2.0 %</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> The contribution from acquisitions reflects only completed acquisitions.

<sup>(3)</sup> Impact of divestitures relates to the sale of Avian Vaccine business, which occurred on December 20, 2022.

<sup>(4)</sup> Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, divestitures, the 53<sup>rd</sup> week, 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 28, 2024E**

<b>2024 GUIDANCE</b>	
Revenue growth, reported	1.0% – 4.0%
Impact of divestitures/(acquisitions), net	~(0.5)%
Unfavorable/(favorable) impact of foreign exchange	~(0.5)%
Revenue growth, organic (1)	0.0% – 3.0%
GAAP EPS estimate	\$7.90 – \$8.40
Acquisition-related amortization (2)	~\$2.40
Acquisition and integration-related adjustments (3)	~\$0.10
Costs associated with restructuring actions (4)	~\$0.25
Other items (5)	~\$0.25
Non-GAAP EPS estimate	\$10.90 – \$11.40

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.
- (3) These adjustments are related to the evaluation and integration of acquisitions and divestitures, and primarily include transaction, advisory, certain third-party integration, and related costs.
- (4) These adjustments primarily include site consolidation, severance, impairment, and other costs related to the Company's restructuring actions.
- (5) These items primarily relate to charges associated with U.S. and international tax legislation that necessitated changes to the Company's international financing structure; and 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) <sup>(1)</sup>**

(in thousands)

	Three Months Ended			Twelve Months Ended	
	December 30, 2023	September 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Income before income taxes & noncontrolling interests	\$ 208,706	\$ 112,873	\$ 244,921	\$ 581,284	\$ 622,987
Add back:					
Amortization related to acquisitions	35,919	34,311	35,518	139,592	146,934
Acquisition related adjustments <sup>(2)</sup>	3,156	6,471	17,827	24,070	18,566
Severance	4,600	3,578	958	11,611	4,088
Site consolidation and impairment charges <sup>(3)</sup>	16,322	11,583	2,806	30,659	4,047
Third-party legal costs <sup>(4)</sup>	1,030	3,435	3,917	15,620	9,358
Venture capital and strategic equity investment (gains) losses, net <sup>(5)</sup>	(105,919)	7,249	6,707	(93,515)	26,775
(Gain) loss on divestitures <sup>(6)</sup>	(34)	433	(123,524)	961	(123,524)
Other <sup>(7)</sup>	877	—	1,080	1,372	5,285
Income before income taxes & noncontrolling interests, excluding specified charges (Non-GAAP)	<u>\$ 164,657</u>	<u>\$ 179,933</u>	<u>\$ 190,210</u>	<u>\$ 711,654</u>	<u>\$ 714,516</u>
Provision for income taxes (GAAP)	\$ 19,754	\$ 24,852	\$ 55,815	\$ 100,914	\$ 130,379
Non-cash tax benefit related to international financing structure <sup>(8)</sup>	(991)	(1,283)	(1,024)	(4,694)	(4,648)
Enacted tax law changes	—	—	382	—	382
Tax effect of the remaining non-GAAP adjustments	16,860	15,271	(19,529)	60,789	11,399
Provision for income taxes (Non-GAAP)	<u>\$ 35,623</u>	<u>\$ 38,840</u>	<u>\$ 35,644</u>	<u>\$ 157,009</u>	<u>\$ 137,512</u>
Total rate (GAAP)	9.5 %	22.0 %	22.8 %	17.4 %	20.9 %
Total rate, excluding specified charges (Non-GAAP)	21.6 %	21.6 %	18.7 %	22.1 %	19.2 %

<sup>(1)</sup> 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.

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

<sup>(3)</sup> The adjustments include approximately \$13 million of asset impairment charges related to an immaterial Safety Assessment business unit divested during January 2024.

<sup>(4)</sup> Third-party legal costs are related to (a) an environmental litigation related to the Microbial Solutions business and (b) investigations by the U.S. government into the NHP supply chain applicable to our Safety Assessment business.

<sup>(5)</sup> The gain during fiscal year 2023 relates predominantly to a gain recognized on our 49% equity interest in Noveprim Group, acquired in April 2022, which was then remeasured at fair value upon acquisition of a 90% controlling equity interest during the fourth quarter of fiscal 2023.

<sup>(6)</sup> Adjustments included in 2023 relate to the gain on sale of our Avian Vaccine business, which was divested in 2022.

<sup>(7)</sup> 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. Amounts included in 2022 relate to the sale of RMS Japan operations in October 2021 and a reversal of an indemnification asset related to a prior acquisition.

<sup>(8)</sup> This amount relates to the recognition of deferred tax assets expected to be utilized as a result of changes to the Company's international financing structure.

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

	Three Months Ended		Twelve Months Ended		Fiscal Year Ended
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022	December 28, 2024E
GAAP interest expense, net	\$ 31,953	\$ 34,436	\$ 131,514	\$ 58,511	\$125,000-\$130,000
Adjustments for foreign exchange forward contract and related interest expense, net <sup>(2)</sup>	—	—	—	46,529	—
Adjusted interest expense, net	<u>\$ 31,953</u>	<u>\$ 34,436</u>	<u>\$ 131,514</u>	<u>\$ 105,040</u>	<u>\$125,000-\$130,000</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> Amounts reported in total adjusted interest expense include a \$49.7 million gain on a forward contract and \$2.1 million of additional interest expense for the twelve months ended December 30, 2022.

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

	Three Months Ended		Twelve Months Ended		Fiscal Year Ended
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022	December 28, 2024E
Net cash provided by operating activities	\$ 220,943	\$ 234,757	\$ 683,898	\$ 619,640	\$700-\$740 million
Add back: Tax impact of Avian Vaccine divestiture <sup>(2)</sup>	—	35,344	—	35,344	—
Less: Capital expenditures	(78,323)	(89,024)	(318,528)	(324,733)	~\$300 million
Free cash flow	<u>\$ 142,620</u>	<u>\$ 181,077</u>	<u>\$ 365,370</u>	<u>\$ 330,251</u>	<u>\$400-\$440 million</u>

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Free cash flow has been adjusted to exclude the cash tax impact related to the divestiture of our Avian business in fiscal year 2022, which is recorded in Net cash provided by operating activities, because divestitures are outside of our normal operations, the corresponding cash proceeds from the divestiture are reflected in Cash Flows relating to Investing Activities, and the impact of the Avian divestiture is large, which can adversely affect the comparability of our results on a period-to-period basis.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GROSS/NET LEVERAGE RATIO, INCLUDING GAAP NET INCOME TO ADJUSTED EBITDA <sup>(1)</sup>**

(dollars in thousands, except for per share data)

	December 30, 2023	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
<b>DEBT <sup>(2)</sup>:</b>						
Total Debt & Finance Leases	\$ 2,652,717	\$ 2,711,208	\$ 2,666,359	\$ 1,979,784	\$ 1,888,211	\$ 1,668,014
Plus: Other adjustments per credit agreement	\$ 33,265	\$ 13,431	\$ 37,244	\$ 2,328	\$ 712	\$ 3,033
Less: Unrestricted Cash and Cash Equivalents up to \$150M	\$ (150,000)	\$ (150,000)	\$ (150,000)			
Total Indebtedness per credit agreement	\$ 2,535,982	\$ 2,574,639	\$ 2,553,603	\$ 1,982,112	\$ 1,888,924	\$ 1,671,047
Less: Cash and cash equivalents (net of \$150M above)	(126,771)	(83,912)	(91,214)	(228,424)	(238,014)	(195,442)
Net Debt	\$ 2,409,211	\$ 2,490,727	\$ 2,462,389	\$ 1,753,688	\$ 1,650,910	\$ 1,475,605

	December 30, 2023	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
<b>ADJUSTED EBITDA <sup>(2)</sup>:</b>						
Net income attributable to common shareholders	\$ 474,624	\$ 486,226	\$ 390,982	\$ 364,304	\$ 252,019	\$ 226,373
Adjustments:						
Adjust: Non-cash gains/losses of VC partnerships & strategic investments	(79,288)	35,498	66,004			
Less: Aggregate non-cash amount of nonrecurring gains	—	(32,638)	(42,247)	(1,361)	(310)	—
Plus: Interest expense	136,710	108,870	107,224	76,825	79,586	65,258
Plus: Provision for income taxes	100,914	130,379	81,873	81,808	50,023	54,996
Plus: Depreciation and amortization	314,124	303,870	265,540	234,924	198,095	161,779
Plus: Non-cash nonrecurring losses	44,077	16,572	8,573	16,810	427	559
Plus: Non-cash stock-based compensation	72,048	73,617	71,461	56,341	57,271	47,346
Plus: Permitted acquisition-related costs	15,639	34,453	51,256	18,750	34,827	19,181
Plus: Pro forma EBITDA adjustments for permitted acquisitions	18,542	5,306	4,008	8	12,320	15,648
Adjusted EBITDA (per the calculation defined in compliance certificates)	\$ 1,097,390	\$ 1,162,153	\$ 1,004,675	\$ 848,408	\$ 684,259	\$ 591,140

	December 30, 2023	December 31, 2022	December 25, 2021	December 26, 2020	December 28, 2019	December 29, 2018
<b>LEVERAGE RATIO:</b>						
Gross leverage ratio per credit agreement (total debt divided by adjusted EBITDA)	2.31	2.22	2.54	2.34	2.76	2.83
Net leverage ratio (net debt divided by adjusted EBITDA)	2.2	2.1	2.5	2.1	2.4	2.5

	December 30, 2023	December 31, 2022	December 25, 2021
<b>INTEREST COVERAGE RATIO:</b>			
Capital Expenditures	323,050	326,338	232,149
Cash Interest Expense	139,545	110,731	107,389
Interest Coverage ratio per the credit agreement (Adjusted EBITDA minus Capital Expenditures divided by cash interest expense)	5.55x	7.55x	7.19x

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

**CRL**  

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**LISTED**  

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charles river