

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): November 4, 2021

CRA INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation)	000-24049 (Commission file number)	04-2372210 (IRS employer identification no.)
200 Clarendon Street, Boston, Massachusetts (Address of principal executive offices)		02116 (Zip code)

Registrant's telephone number, including area code: (617) 425-3000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, no par value	CRAI	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On November 4, 2021, we issued a press release reporting our financial results for our fiscal quarter ended October 2, 2021. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On November 4, 2021, we also posted on our website supplemental financial information, including prepared CFO remarks. A copy of the supplemental financial information is set forth as Exhibit 99.2 and incorporated by reference herein.

The information contained in Item 2.02 of this report and Exhibits 99.1 and 99.2 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

On November 4, 2021, we announced that our board of directors declared a quarterly cash dividend on our common stock of \$0.31 per share to be paid on December 10, 2021 to all shareholders of record as of November 30, 2021. A copy of the press release is set forth as Exhibit 99.3 and is incorporated by reference herein.

The information contained in Item 7.01 of this report and Exhibit 99.3 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Number</u>	<u>Title</u>
99.1	November 4, 2021 earnings press release
99.2	Supplemental financial information (prepared CFO remarks)
99.3	November 4, 2021 dividend press release
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRA INTERNATIONAL, INC.

Dated: November 4, 2021

By: /s/ DANIEL K. MAHONEY
Daniel K. Mahoney
Chief Financial Officer, Executive Vice President and Treasurer

Contacts:

Dan Mahoney
 Chief Financial Officer
 Charles River Associates
 617-425-3505

Nicholas Manganaro
 Sharon Merrill Associates, Inc.
 crai@investorrelations.com
 617-542-5300

**CHARLES RIVER ASSOCIATES (CRA) REPORTS
 FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2021**

Broad-based Contributions Drive Strong Revenue and Profit Growth

Company Increases Quarterly Dividend by 19%

BOSTON, November 4, 2021 – Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial and management consulting services, today announced financial results for the fiscal third quarter ended October 2, 2021.

“Building on a strong first half of fiscal 2021, CRA reported revenue growth of 12.0% year over year to \$136.4 million, representing the 23rd consecutive quarter of year-over-year revenue growth,” said Paul Maleh, CRA’s President and Chief Executive Officer. “Our performance for the quarter was driven by double-digit revenue growth in each of our Antitrust & Competition Economics, Financial Economics, Forensic Services, Labor & Employment, Marakon, and Risk, Investigations & Analytics practices. Both our North American and international operations contributed to our quarterly growth, increasing year over year by 14.1% and 3.5%, respectively. The quarter’s top-line growth resulted in accelerating profit expansion, as CRA’s net income, earnings per diluted share and EBITDA all grew significantly faster than revenue.”

Key Third-Quarter Fiscal 2021 Highlights

- Revenue grew 12.0% year over year to \$136.4 million.
- Utilization was 73%, and quarter-end headcount increased 6.8% year over year.
- Net income increased 102.6% year over year to \$10.9 million, or 8.0% of revenue, compared with \$5.4 million, or 4.4% of revenue, in the third quarter of fiscal 2020; non-GAAP net income increased 80.3% year over year to \$10.9 million, or 8.0% of revenue, compared with \$6.1 million, or 5.0% of revenue, in the third quarter of fiscal 2020.
- Earnings per diluted share increased 111.8% year over year to \$1.44 from \$0.68; non-GAAP earnings per diluted share increased 89.5% year over year to \$1.44 from \$0.76.
- Non-GAAP EBITDA increased 35.3% to \$16.2 million, or 11.9% of revenue, compared with \$12.0 million, or 9.8% of revenue, in the third quarter of fiscal 2020.
- On a constant currency basis relative to the third quarter of fiscal 2020, revenue, GAAP net income, and earnings per diluted share would have been lower by \$1.4 million, \$0.1 million, and \$0.01 per diluted share, respectively. Non-GAAP net income, earnings per diluted share, and EBITDA would have been lower by \$0.1 million, \$0.01 per diluted share, and \$0.2 million respectively.
- CRA returned \$6.9 million of capital to its shareholders, consisting of \$1.9 million of dividend payments and \$5.0 million for share repurchases of approximately 53,000 shares.

Outlook and Financial Guidance

“Through the first three quarters of fiscal 2021, on a constant currency basis relative to fiscal 2020, we have increased revenue by 14.6% to \$425.1 million and non-GAAP EBITDA by 43.0% to \$52.6 million, achieving a margin of 12.4%. These results demonstrate the strength and quality of our business,” continued Maleh. “While the business continues to deliver strong results, our third-quarter revenue was below our expectations as we experienced a rate of employee vacation time that was more than 20% higher than in the year-ago period and the highest rate for a third quarter over the prior five years. Although helpful for the health and well-being of our colleagues, the heightened vacation time acted as a headwind to our top-line growth, and may continue during the November and December holidays.”

“As a result, we are lowering our full-year revenue guidance while maintaining our EBITDA margin guidance. For the full-year fiscal 2021, on a constant currency basis relative to fiscal 2020, we now expect revenue in the range of \$560 million to \$570 million, and non-GAAP EBITDA margin to exceed the upper end of the range of 11.2% to 11.7%. We are pleased with CRA’s strong performance

through the first three quarters of the year, but we remain mindful that uncertainties around global economic, business, health, and political conditions can affect our business,” concluded Maleh.

CRA does not provide reconciliations of its annual non-GAAP EBITDA margin guidance to GAAP net income margin because the Company is unable to estimate with reasonable certainty unusual gains or charges, foreign currency exchange rates, and the resulting effect of these items, and of equity awards, on CRA’s taxes without unreasonable effort. These items are uncertain, depend on various factors, and may have a material effect on CRA’s results computed in accordance with GAAP. A reconciliation between the historical GAAP and non-GAAP financial measures presented in this release is provided in the financial tables at the end of this release.

Quarterly Dividend

On November 4, 2021, CRA announced that it increased its quarterly cash dividend by 19% from \$0.26 to \$0.31 per common share. The dividend will be payable on December 10, 2021 to shareholders of record as of November 30, 2021. CRA expects to continue paying quarterly dividends, the declaration, timing and amounts of which remain subject to the discretion of CRA’s Board of Directors.

Conference Call Information and Prepared CFO Remarks

CRA will host a conference call today at 10:00 a.m. ET to discuss its third-quarter 2021 financial results. To listen to the live call, please visit the “[Investor Relations](#)” section of CRA’s website at <http://www.crai.com>, or dial (877) 709-8155 or (201) 689-8881. An [archived](#) version of the webcast will be available on CRA’s website for one year.

In combination with this press release, CRA has posted prepared remarks by its CFO Dan Mahoney under “[Conference Call Materials](#)” in the “[Investor Relations](#)” section on CRA’s website at <http://www.crai.com>. These remarks are offered to provide the investment community with additional background on CRA’s financial results prior to the start of the conference call.

About Charles River Associates (CRA)

Charles River Associates® is a leading global consulting firm specializing in [economic, financial, and management consulting services](#). CRA advises clients on economic and financial matters pertaining to litigation and regulatory proceedings, and guides corporations through critical business strategy and performance-related issues. Since 1965, clients have engaged CRA for its unique combination of functional expertise and industry knowledge, and for its objective solutions to complex problems. Headquartered in Boston, CRA has offices throughout the world. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at www.crai.com. Follow us on [LinkedIn](#), [Twitter](#), and [Facebook](#).

NON-GAAP FINANCIAL MEASURES

In this release, CRA has supplemented the presentation of its financial results calculated in accordance with U.S. generally accepted accounting principles or “GAAP” with the following financial measures that are not calculated in accordance with GAAP: non-GAAP net income, non-GAAP net income per share and non-GAAP EBITDA. CRA believes that the non-GAAP financial measures described in this press release are important to management and investors because these measures supplement the understanding of CRA’s ongoing operating results and financial condition. In addition, these non-GAAP measures are used by CRA in its budgeting process, and the non-GAAP adjustments are made to the performance measures for some of CRA’s performance-based compensation.

CRA defines non-GAAP EBITDA as net income before interest expense (net), income taxes, and depreciation and amortization further adjusted for the impact of certain items that we do not consider indicative of our core operating performance, such as non-cash amounts relating to valuation changes in contingent consideration and related tax effects. Non-GAAP net income and non-GAAP net income per share also exclude non-cash amounts relating to valuation changes in contingent consideration and related tax effects. This release also presents certain current fiscal period financial measures on a “constant currency” basis in order to isolate the effect that foreign currency exchange rate fluctuations can have on CRA’s financial results. These constant currency measures are determined by recalculating the current fiscal period local currency financial measure using the specified corresponding prior fiscal period’s foreign exchange rates. On a constant currency basis for the fiscal year-to-date period ended October 2, 2021 relative to the fiscal year-to-date period ended September 26, 2020, revenue would have been lower by \$6.1 million and EBITDA would have been lower by \$0.6 million.

All of the non-GAAP financial measures referred to above should be considered in conjunction with, and not as a substitute for, the GAAP financial information presented in this release. EBITDA and the financial measures identified in this release as “non-GAAP” are reconciled to their GAAP comparable measures in the financial tables appended to the end of this press release. In evaluating these non-GAAP financial measures, note that the non-GAAP financial measures used by CRA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

SAFE HARBOR STATEMENT

Statements in this press release concerning our future business, operating results and financial condition, including those concerning guidance on future revenue and non-GAAP EBITDA margin, the impact of exchange rate fluctuations on our financial results, our expectations regarding continued growth, our expectations regarding the payment of any future quarterly dividends and the level and extent of any purchases under our share repurchase program, and statements using the terms “outlook,” “expect,” or similar expressions, are “forward-looking” statements as defined in Section 21 of the Exchange Act. These statements are based upon our current expectations and various underlying assumptions. Although we believe there is a reasonable basis for these statements and assumptions, and these statements are expressed in good faith, these statements are subject to a number of additional factors and uncertainties. Our actual revenue and non-GAAP EBITDA margin in fiscal 2021 on a constant currency basis relative to fiscal 2020 could differ materially from the guidance presented herein, and our actual performance and results may differ materially from the performance and results contained in or implied by the forward-looking statements made herein, due to many important factors. These factors include, but are not limited to, the possibility that the demand for our services may decline as a result of changes in general and industry specific economic conditions; the timing of engagements for our services; the effects of competitive services and pricing; our ability to attract and retain key employee or non-employee experts; the inability to integrate and utilize existing consultants and personnel; the decline or reduction in project work or activity; global economic conditions including less stable political and economic environments; the impact of the COVID-19 pandemic; foreign currency exchange rate fluctuations; unanticipated expenses and liabilities; risks inherent in international operations; changes in tax law or accounting standards, rules, and regulations; our ability to collect on forgivable loans should any become due; and professional and other legal liability or settlements. Additional risks and uncertainties are discussed in our periodic filings with the Securities and Exchange Commission under the heading “Risk Factors.” The inclusion of such forward-looking information should not be regarded as our representation that the future events, plans, or expectations contemplated will be achieved. Except as may be required by law, we undertake no obligation to update any forward-looking statements after the date of this press release, and we do not intend to do so.

CRA INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED
OCTOBER 2, 2021 COMPARED TO SEPTEMBER 26, 2020
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Revenues	\$ 136,412	100.0 %	\$ 121,762	100.0 %	\$ 431,167	100.0 %	\$ 370,951	100.0 %
Cost of services (exclusive of depreciation and amortization)	95,980	70.4 %	88,304	72.5 %	306,396	71.1 %	269,462	72.6 %
Selling, general and administrative expenses	24,490	18.0 %	22,194	18.2 %	71,740	16.6 %	67,742	18.3 %
Depreciation and amortization	3,141	2.3 %	3,244	2.7 %	9,657	2.2 %	9,293	2.5 %
Income from operations	12,801	9.4 %	8,020	6.6 %	43,374	10.1 %	24,454	6.6 %
Interest expense, net	(183)	-0.1 %	(277)	-0.2 %	(791)	-0.2 %	(1,011)	-0.3 %
Foreign currency gains (losses), net	235	0.2 %	(217)	-0.2 %	(253)	-0.1 %	1,103	0.3 %
Income before provision for income taxes	12,853	9.4 %	7,526	6.2 %	42,330	9.8 %	24,546	6.6 %
Provision for income taxes	1,908	1.4 %	2,123	1.7 %	9,318	2.2 %	6,744	1.8 %
Net income	<u>\$ 10,945</u>	<u>8.0 %</u>	<u>\$ 5,403</u>	<u>4.4 %</u>	<u>\$ 33,012</u>	<u>7.7 %</u>	<u>\$ 17,802</u>	<u>4.8 %</u>
Net income per share:								
Basic	<u>\$ 1.48</u>		<u>\$ 0.69</u>		<u>\$ 4.42</u>		<u>\$ 2.28</u>	
Diluted	<u>\$ 1.44</u>		<u>\$ 0.68</u>		<u>\$ 4.31</u>		<u>\$ 2.23</u>	
Weighted average number of shares outstanding:								
Basic	<u>7,375</u>		<u>7,771</u>		<u>7,440</u>		<u>7,780</u>	
Diluted	<u>7,560</u>		<u>7,934</u>		<u>7,643</u>		<u>7,964</u>	

CRA INTERNATIONAL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED
OCTOBER 2, 2021 COMPARED TO SEPTEMBER 26, 2020
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Revenues	\$ 136,412	100.0 %	\$ 121,762	100.0 %	\$ 431,167	100.0 %	\$ 370,951	100.0 %
Net income	\$ 10,945	8.0 %	\$ 5,403	4.4 %	\$ 33,012	7.7 %	\$ 17,802	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	905	0.7 %	380	0.1 %	1,901	0.5 %
Tax effect on adjustments	—	— %	(238)	-0.2 %	(103)	— %	(508)	-0.1 %
Non-GAAP net income	\$ 10,945	8.0 %	\$ 6,070	5.0 %	\$ 33,289	7.7 %	\$ 19,195	5.2 %
Non-GAAP net income per share:								
Basic	\$ 1.48		\$ 0.78		\$ 4.46		\$ 2.46	
Diluted	\$ 1.44		\$ 0.76		\$ 4.34		\$ 2.40	
Weighted average number of shares outstanding:								
Basic	7,375		7,771		7,440		7,780	
Diluted	7,560		7,934		7,643		7,964	

CRA INTERNATIONAL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED
OCTOBER 2, 2021 COMPARED TO SEPTEMBER 26, 2020
(IN THOUSANDS)

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Revenues	\$ 136,412	100.0 %	\$ 121,762	100.0 %	\$ 431,167	100.0 %	\$ 370,951	100.0 %
Net income	\$ 10,945	8.0 %	\$ 5,403	4.4 %	\$ 33,012	7.7 %	\$ 17,802	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	905	0.7 %	380	0.1 %	1,901	0.5 %
Tax effect on adjustments	—	— %	(238)	-0.2 %	(103)	— %	(508)	-0.1 %
Non-GAAP net income	\$ 10,945	8.0 %	\$ 6,070	5.0 %	\$ 33,289	7.7 %	\$ 19,195	5.2 %
Adjustments needed to reconcile non-GAAP net income to non-GAAP EBITDA:								
Interest expense, net	183	0.1 %	277	0.2 %	791	0.2 %	1,011	0.3 %
Provision for income taxes	1,908	1.4 %	2,361	1.9 %	9,421	2.2 %	7,252	2.0 %
Depreciation and amortization	3,141	2.3 %	3,244	2.7 %	9,657	2.2 %	9,293	2.5 %
Non-GAAP EBITDA	\$ 16,177	11.9 %	\$ 11,952	9.8 %	\$ 53,158	12.3 %	\$ 36,751	9.9 %

CRA INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	October 2, 2021	January 2, 2021
Assets		
Cash and cash equivalents	\$ 19,665	\$ 45,677
Accounts receivable and unbilled services, net	173,834	152,476
Other current assets	20,402	21,817
Total current assets	213,901	219,970
Property and equipment, net	55,577	62,878
Goodwill and intangible assets, net	93,366	94,295
Right-of-use assets	113,759	122,144
Other assets	53,304	59,223
Total assets	\$ 529,907	\$ 558,510
Liabilities and Shareholders' Equity		
Accounts payable	\$ 22,916	\$ 19,430
Accrued expenses	128,701	136,376
Current portion of lease liabilities	14,188	13,557
Revolving line of credit	6,000	—
Other current liabilities	10,265	30,768
Total current liabilities	182,070	200,131
Non-current portion of lease liabilities	128,565	139,447
Other non-current liabilities	14,987	9,913
Total liabilities	325,622	349,491
Total shareholders' equity	204,285	209,019
Total liabilities and shareholders' equity	\$ 529,907	\$ 558,510

CRA INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Fiscal Year-to-Date Period Ended	
	October 2, 2021	September 26, 2020
Operating activities:		
Net income	\$ 33,012	\$ 17,802
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Non-cash items, net	20,948	20,281
Accounts receivable and unbilled services	(22,324)	(13,042)
Working capital items, net	(17,733)	(35,693)
Net cash provided by (used in) operating activities	13,903	(10,652)
Investing activities:		
Purchases of property and equipment	(1,730)	(15,742)
Net cash used in investing activities	(1,730)	(15,742)
Financing activities:		
Issuance of common stock, principally stock options exercises	5,005	1,667
Borrowings under revolving line of credit	72,000	77,000
Repayments under revolving line of credit	(66,000)	(39,000)
Tax withholding payments reimbursed by shares	(588)	(390)
Cash paid for contingent consideration	(2,357)	—
Cash dividends paid	(5,903)	(5,412)
Repurchase of common stock	(39,977)	(8,807)
Net cash provided by (used in) financing activities	(37,820)	25,058
Effect of foreign exchange rates on cash and cash equivalents	(365)	(195)
Net decrease in cash and cash equivalents	(26,012)	(1,531)
Cash and cash equivalents at beginning of period	45,677	25,639
Cash and cash equivalents at end of period	\$ 19,665	\$ 24,108
Noncash investing and financing activities:		
Purchases of property and equipment not yet paid for	\$ 7	\$ 3,923
Asset retirement obligations	\$ —	\$ 155
Right-of-use assets obtained in exchange for lease obligations	\$ 1,751	\$ 2,601
Restricted common stock issued for contingent consideration	\$ 2,250	\$ —
Supplemental cash flow information:		
Cash paid for taxes	\$ 12,484	\$ 5,933
Cash paid for interest	\$ 528	\$ 932
Cash paid for amounts included in operating lease liabilities	\$ 15,556	\$ 13,736



**CHARLES RIVER ASSOCIATES (CRA)
THIRD QUARTER FISCAL YEAR 2021
EARNINGS ANNOUNCEMENT
PREPARED CFO REMARKS**

CRA is providing these prepared remarks by CFO Dan Mahoney in combination with its press release. These remarks are offered to provide the investment community with additional information on CRA's financial results prior to the start of the conference call.

As previously announced, the conference call will be held November 4, 2021 at 10:00 a.m. ET. These prepared remarks will not be read on the call.

Q3 Fiscal 2021 Summary (Quarter ended October 2, 2021)

- Revenue: \$136.4 million
- Net income and non-GAAP net income: \$10.9 million, or 8.0% of revenue
- Net income per diluted share and non-GAAP net income per diluted share: \$1.44
- Operating margin and non-GAAP operating margin: 9.4%
- Non-GAAP EBITDA: \$16.2 million, or 11.9% of revenue
- Effective tax rate and non-GAAP effective tax rate: 14.8%
- Utilization: 73%
- Consultant headcount at the end of Q3 of fiscal 2021: 882, which consists of 138 officers, 495 other senior staff and 249 junior staff
- Cash and cash equivalents: \$19.7 million at October 2, 2021

Revenue

For Q3 of fiscal 2021, revenue was \$136.4 million, compared with revenue of \$121.8 million for Q3 of fiscal 2020.

Headcount

The following table outlines CRA's consultant headcount at the end of the stated quarters:

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Officers	138	141	145	137	140
Other Senior Staff	495	483	497	471	473
Junior Staff	249	209	195	223	213
Total	882	833	837	831	826

Utilization

For Q3 of fiscal 2021, companywide utilization was 73%, compared with 69% for Q3 fiscal 2020.

Client Reimbursables

For Q3 of fiscal 2021, client reimbursables were \$15.7 million, or 11.5% of revenue, compared with \$13.2 million, or 10.8% of revenue, for Q3 of fiscal 2020.

Contingent Liability

Prior to Q3 of fiscal 2021, the contingent consideration obligation was paid and therefore the estimated value of the contingent consideration obligation at October 2, 2021 was zero. For Q3 of fiscal 2020, the estimated value of the contingent consideration obligation increased from Q2 of fiscal 2020 by \$0.9 million to \$13.5 million at September 26, 2020.

The change in the value of the contingent liability is recorded as an adjustment to cost of services (exclusive of depreciation and amortization) in the period reported.

Selling, General and Administrative (SG&A) Expenses

For Q3 of fiscal 2021, SG&A expenses were \$24.5 million, or 18.0% of revenue, compared with \$22.2 million, or 18.2% of revenue, for Q3 of fiscal 2020. Commissions to non-employee experts are included in SG&A expenses. These commissions represented approximately 3.2% of revenue for Q3 of fiscal 2021, compared with 3.0% in Q3 of fiscal 2020. Excluding these commissions, SG&A expenses were 14.8% of revenue for Q3 of fiscal 2021, compared with 15.2% in Q3 of fiscal 2020.

Depreciation & Amortization

For Q3 of fiscal 2021, depreciation and amortization expenses amounted to \$3.1 million, or 2.3% of revenue, compared with \$3.2 million, or 2.7% of revenue, for Q3 of fiscal 2020.

Forgivable Loan Amortization

For Q3 of fiscal 2021, forgivable loan amortization was \$8.5 million, or 6.2% of revenue, compared with \$7.8 million, or 6.4% of revenue, for Q3 of fiscal 2020.

Share-Based Compensation Expense

For Q3 of fiscal 2021, share-based compensation expense was approximately \$1.0 million, or 0.7% of revenue, compared with \$0.9 million, or 0.7% of revenue, for Q3 of fiscal 2020.

Operating Income

For Q3 of fiscal 2021, operating income was \$12.8 million, or 9.4% of revenue, compared with operating income of \$8.0 million, or 6.6% of revenue, for Q3 of fiscal 2020. Non-GAAP operating income was \$12.8 million, or 9.4% of revenue, for Q3 of fiscal 2021, compared with \$8.9 million, or 7.3% of revenue, for Q3 of fiscal 2020.

\$ in 000's	Fiscal Quarter Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Income from operations	\$ 12,801	9.4 %	\$ 8,020	6.6 %
Adjustments needed to reconcile GAAP income from operations to non-GAAP income from operations:				
Non-cash valuation change in contingent consideration	—	— %	905	0.7 %
Non-GAAP income from operations	\$ 12,801	9.4 %	\$ 8,925	7.3 %

Interest Income (Expense), net

For Q3 of fiscal 2021, net interest expense was \$0.2 million, or 0.1% of revenue, compared with net interest expense of \$0.3 million, or 0.2% of revenue, for Q3 of fiscal 2020.

Foreign Currency Gains (Losses), net

For Q3 of fiscal 2021, net foreign currency gains were \$0.2 million, or 0.2% of revenue, compared with net foreign currency losses of \$0.2 million, or 0.2% of revenue, for Q3 of fiscal 2020.

Foreign currency gains (losses), net, is comprised of net gains and losses on foreign denominated transactions and the revaluation of working capital balances.

Income Taxes

The following table outlines CRA's income tax provision recorded and the resulting effective tax rates:

\$ in 000's	GAAP		NON-GAAP	
	Fiscal Quarter Ended		Fiscal Quarter Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Tax Provision	\$ 1,908	\$ 2,123	\$ 1,908	\$ 2,361
Effective Tax Rate	14.8 %	28.2 %	14.8 %	28.0 %

\$ in 000's	Fiscal Quarter Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Income before provision for income taxes	\$ 12,853	9.4 %	\$ 7,526	6.2 %
Adjustments needed to reconcile GAAP income before provision for income taxes to non-GAAP income before provision for income taxes				
Non-cash valuation change in contingent consideration	—	— %	905	0.7 %
Non-GAAP income before provision for income taxes	\$ 12,853	9.4 %	\$ 8,431	6.9 %
GAAP provision for income taxes	\$ 1,908		\$ 2,123	
Tax effect on non-GAAP adjustments	—		238	
Non-GAAP provision for income taxes	\$ 1,908		\$ 2,361	

Net Income

For Q3 of fiscal 2021, net income was \$10.9 million, or 8.0% of revenue, or \$1.44 per diluted share, compared with net income of \$5.4 million, or 4.4% of revenue, or \$0.68 per diluted share, for Q3 of fiscal 2020. Non-GAAP net income for Q3 of fiscal 2021 was \$10.9 million, or 8.0% of revenue, or \$1.44 per diluted share, compared with \$6.1 million, or 5.0% of revenue, or \$0.76 per diluted share, for Q3 of fiscal 2020.

Non-GAAP EBITDA

For Q3 of fiscal 2021, non-GAAP EBITDA was \$16.2 million, or 11.9% of revenue, compared with \$12.0 million, or 9.8% of revenue, for Q3 of fiscal 2020.

Constant Currency Basis

For Q3 of fiscal 2021, revenue was \$136.4 million, and net income was \$10.9 million, or 8.0% of revenue, or \$1.44 per diluted share. On a constant currency basis relative to Q3 of fiscal 2020, Q3 of fiscal 2021 revenue would have been lower by \$1.4 million to \$135.0 million, GAAP net income would have decreased by \$0.1 million to \$10.8 million, or 8.0% of revenue, and earnings per diluted share would have decreased by \$0.01 to \$1.43 per diluted share.

For Q3 of fiscal 2021, revenue was \$136.4 million, and non-GAAP net income was \$10.9 million, or 8.0% of revenue, or \$1.44 per diluted share. On a constant currency basis relative to Q3 of fiscal 2020, Q3 of fiscal 2021 revenue would have been lower by \$1.4 million to \$135.0 million, non-GAAP net income would have decreased by \$0.1 million to \$10.8 million, or 8.0% of revenue, non-GAAP earnings per diluted share would have decreased by \$0.01 to \$1.43 per diluted share, and non-GAAP EBITDA would have decreased by \$0.2 million to \$16.0 million, or 11.9% of revenue.

A description of the process for calculating the measures presented on a constant currency basis is contained under the heading “Non-GAAP Financial Measures” below.

Key Balance Sheet Metrics

Billed and unbilled receivables at October 2, 2021 were \$173.8 million, compared with \$157.7 million at September 26, 2020. Current liabilities at October 2, 2021 were \$182.1 million, compared with \$197.2 million at September 26, 2020.

Total days sales outstanding, or DSO, for Q3 of fiscal 2021 was 112 days, consisting of 68 days of billed and 44 days of unbilled. This compares with 113 days reported for Q3 of fiscal 2020, consisting of 75 days of billed and 38 days of unbilled.

Cash and Cash Flow

Cash and cash equivalents were \$19.7 million at October 2, 2021, compared with \$24.1 million at September 26, 2020.

Net cash provided by operating activities for Q3 of fiscal 2021 was \$50.1 million, compared with net cash provided by operating activities of \$33.6 million for Q3 of fiscal 2020.

As of October 2, 2021, outstanding borrowings under CRA's revolving credit facility amounted to \$6.0 million. At September 26, 2020, outstanding borrowings under CRA's revolving credit facility amounted to \$38.0 million.

Capital expenditures totaled \$0.6 million for Q3 of fiscal 2021, compared with \$2.2 million for Q3 of fiscal 2020.

CRA repurchased approximately 53,000 shares of its common stock during Q3 of fiscal 2021 for approximately \$5.0 million, compared with Q3 of fiscal 2020, when approximately 110,000 shares of common stock were repurchased for approximately \$5.0 million.

A quarterly cash dividend of \$0.26 per common share, for total dividends and dividend equivalents of \$1.9 million was paid in Q3 of fiscal 2021, compared with a quarterly cash dividend of \$0.23 per common share, for total dividends and dividend equivalents of \$1.8 million paid in Q3 of fiscal 2020.

GAAP Condensed Consolidated Statement of Cash Flows

CRA has derived the condensed consolidated statement of cash flow data for the years ended January 2, 2021 and December 28, 2019 from its audited financial statements appearing on Form 10-K for the fiscal year ended January 2, 2021, filed with the Securities and Exchange Commission on March 4, 2021. The condensed consolidated statement of cash flow data for the first, second, and third quarters of fiscal year 2020, and the first, second, and third quarters of fiscal year 2021 have been derived from CRA's unaudited financial statements appearing on Form 10-Q for each of the respective fiscal quarters as well as the consolidated statements of cash flows appearing on Form 10-K for the fiscal years ended January 2, 2021 and December 28, 2019 and have been prepared on the same basis as CRA's audited financial statements.

GAAP Condensed Consolidated Statement of Cash Flows (\$ in 000's)	LTM	Q3	Q2	Q1	Q4
	Q3 2021	2021	2021	2021	2020
Net cash provided by (used in) operating activities	\$ 79,218	\$ 50,126	\$ 3,625	\$ (39,848)	\$ 65,315
Net cash used in investing activities	(3,082)	(560)	(478)	(692)	(1,352)
Net cash provided by (used in) financing activities	(82,378)	(43,428)	(20,857)	26,465	(44,558)
Effect of foreign exchange rates on cash and cash equivalents	1,799	(450)	58	27	2,164
Net increase (decrease) in cash and cash equivalents	\$ (4,443)	\$ 5,688	\$ (17,652)	\$ (14,048)	\$ 21,569
Cash and cash equivalents at beginning of period	24,108	13,977	31,629	45,677	24,108
Cash and cash equivalents at end of period	\$ 19,665	\$ 19,665	\$ 13,977	\$ 31,629	\$ 45,677

GAAP Condensed Consolidated Statement of Cash Flows (\$ in 000's)	LTM	Q3	Q2	Q1	Q4
	Q3 2020	2020	2020	2020	2019
Net cash provided by (used in) operating activities	\$ 37,087	\$ 33,648	\$ 21,075	\$ (65,375)	\$ 47,739
Net cash used in investing activities	(19,887)	(2,225)	(5,568)	(7,949)	(4,145)
Net cash provided by (used in) financing activities	(13,533)	(26,687)	(12,370)	64,115	(38,591)
Effect of foreign exchange rates on cash and cash equivalents	608	565	(148)	(612)	803
Net increase (decrease) in cash and cash equivalents	\$ 4,275	\$ 5,301	\$ 2,989	\$ (9,821)	\$ 5,806
Cash and cash equivalents at beginning of period	19,833	18,807	15,818	25,639	19,833
Cash and cash equivalents at end of period	\$ 24,108	\$ 24,108	\$ 18,807	\$ 15,818	\$ 25,639

Adjusted Net Cash Flows from Operations

Below are the quarterly and last 12-month reconciliations of GAAP net cash provided by (used in) operating activities for each of the periods presented to non-GAAP adjusted net cash flows from operations. The reconciling items are forgivable loan advances and repayments for each period, which are reported as a component of GAAP net cash provided by (used in) operating activities, along with other non-recurring cash items.

Adjusted Net Cash Flows from Operations (\$ in 000's)	LTM Q3 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
GAAP net cash provided by (used in) operating activities	\$ 79,218	\$ 50,126	\$ 3,625	\$ (39,848)	\$ 65,315
Forgivable loan advances	13,575	5,105	2,380	2,150	3,940
Forgivable loan repayments	—	—	—	—	—
Other non-recurring cash items (1)	10,393	—	—	10,393	—
Adjusted net cash flows from operations	\$ 103,186	\$ 55,231	\$ 6,005	\$ (27,305)	\$ 69,255
Net revenue	\$ 568,589	\$ 136,412	\$ 148,237	\$ 146,518	\$ 137,422
GAAP net cash provided by (used in) operating activities as a percentage of net revenue	13.9 %	36.7 %	2.4 %	(27.2)%	47.5 %
Adjusted net cash flows from operations as a percentage of net revenue	18.1 %	40.5 %	4.1 %	(18.6)%	50.4 %
Adjusted Net Cash Flows from Operations (\$ in 000's)	LTM Q3 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
GAAP net cash provided by (used in) operating activities	\$ 37,087	\$ 33,648	\$ 21,075	\$ (65,375)	\$ 47,739
Forgivable loan advances	40,240	104	4,932	33,442	1,762
Forgivable loan repayments	(67)	—	—	—	(67)
Other non-recurring cash items	—	—	—	—	—
Adjusted net cash flows from operations	\$ 77,260	\$ 33,752	\$ 26,007	\$ (31,933)	\$ 49,434
Net revenue	\$ 490,213	\$ 121,762	\$ 123,031	\$ 126,158	\$ 119,262
GAAP net cash provided by (used in) operating activities as a percentage of net revenue	7.6 %	27.6 %	17.1 %	(51.8)%	40.0 %
Adjusted net cash flows from operations as a percentage of net revenue	15.8 %	27.7 %	21.1 %	(25.3)%	41.4 %

(1) Other non-recurring cash items in Q1 fiscal 2021 includes a portion of the cash paid to settle a contingent consideration obligation.

NON-GAAP FINANCIAL MEASURES

In these remarks, CRA has supplemented the presentation of its financial results calculated in accordance with U.S. generally accepted accounting principles or “GAAP” with the following financial measures that were not calculated in accordance with GAAP: non-GAAP net income, non-GAAP net income per share, non-GAAP EBITDA, non-GAAP income from operations, non-GAAP provision for income taxes and adjusted net cash flows from operations. CRA believes that these non-GAAP financial measures are important to management and investors because these measures supplement the understanding of CRA’s ongoing operating results, financial condition and cash flows. Non-GAAP adjusted net cash flows from operations is used by management to assess CRA’s ability to fund items such as the acquisition of talent, office expansions, debt repayment and distributions to shareholders. In addition, non-GAAP net income and non-GAAP EBITDA are used by CRA in its budgeting process, and the non-GAAP adjustments described below are made to the performance measures for some of CRA’s performance-based compensation.

CRA defines non-GAAP EBITDA as net income before interest expense (net), income taxes, and depreciation and amortization further adjusted for the impact of certain items that it does not consider indicative of its core operating performance, such as non-cash amounts relating to valuation changes in contingent consideration and related tax effects. Non-GAAP net income, non-GAAP EBITDA, non-GAAP income from operations and non-GAAP provision for income taxes also exclude non-cash amounts relating to valuation changes in contingent consideration and related tax effects. The adjustments made to non-GAAP adjusted net cash flows from operations add back forgivable loan issuances, net of repayments, along with other non-recurring cash items. These remarks also present certain current fiscal period financial measures on a “constant currency” basis in order to isolate the effect that foreign currency exchange rate fluctuations can have on CRA’s financial results. These constant currency measures are determined by recalculating the current fiscal period local currency financial measure using the specified corresponding prior fiscal period’s foreign exchange rates.

All of the non-GAAP financial measures referred to above should be considered in conjunction with, and not as a substitute for, the GAAP financial information presented in these remarks. EBITDA and the financial measures identified in these remarks as “non-GAAP” are reconciled to their GAAP comparable measures either in these remarks or in the attached financial tables. In evaluating these non-GAAP financial measures, note that the non-GAAP financial measures used by CRA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

CRA INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED
OCTOBER 2, 2021 COMPARED TO SEPTEMBER 26, 2020
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Revenues	\$ 136,412	100.0 %	\$ 121,762	100.0 %	\$ 431,167	100.0 %	\$ 370,951	100.0 %
Cost of services (exclusive of depreciation and amortization)	95,980	70.4 %	88,304	72.5 %	306,396	71.1 %	269,462	72.6 %
Selling, general and administrative expenses	24,490	18.0 %	22,194	18.2 %	71,740	16.6 %	67,742	18.3 %
Depreciation and amortization	3,141	2.3 %	3,244	2.7 %	9,657	2.2 %	9,293	2.5 %
Income from operations	12,801	9.4 %	8,020	6.6 %	43,374	10.1 %	24,454	6.6 %
Interest expense, net	(183)	-0.1 %	(277)	-0.2 %	(791)	-0.2 %	(1,011)	-0.3 %
Foreign currency gains (losses), net	235	0.2 %	(217)	-0.2 %	(253)	-0.1 %	1,103	0.3 %
Income before provision for income taxes	12,853	9.4 %	7,526	6.2 %	42,330	9.8 %	24,546	6.6 %
Provision for income taxes	1,908	1.4 %	2,123	1.7 %	9,318	2.2 %	6,744	1.8 %
Net income	<u>\$ 10,945</u>	<u>8.0 %</u>	<u>\$ 5,403</u>	<u>4.4 %</u>	<u>\$ 33,012</u>	<u>7.7 %</u>	<u>\$ 17,802</u>	<u>4.8 %</u>
Net income per share:								
Basic	<u>\$ 1.48</u>		<u>\$ 0.69</u>		<u>\$ 4.42</u>		<u>\$ 2.28</u>	
Diluted	<u>\$ 1.44</u>		<u>\$ 0.68</u>		<u>\$ 4.31</u>		<u>\$ 2.23</u>	
Weighted average number of shares outstanding:								
Basic	<u>7,375</u>		<u>7,771</u>		<u>7,440</u>		<u>7,780</u>	
Diluted	<u>7,560</u>		<u>7,934</u>		<u>7,643</u>		<u>7,964</u>	

CRA INTERNATIONAL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED
OCTOBER 2, 2021 COMPARED TO SEPTEMBER 26, 2020
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Revenues	\$ 136,412	100.0 %	\$ 121,762	100.0 %	\$ 431,167	100.0 %	\$ 370,951	100.0 %
Net income	\$ 10,945	8.0 %	\$ 5,403	4.4 %	\$ 33,012	7.7 %	\$ 17,802	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	905	0.7 %	380	0.1 %	1,901	0.5 %
Tax effect on adjustments	—	— %	(238)	-0.2 %	(103)	— %	(508)	-0.1 %
Non-GAAP net income	\$ 10,945	8.0 %	\$ 6,070	5.0 %	\$ 33,289	7.7 %	\$ 19,195	5.2 %
Non-GAAP net income per share:								
Basic	\$ 1.48		\$ 0.78		\$ 4.46		\$ 2.46	
Diluted	\$ 1.44		\$ 0.76		\$ 4.34		\$ 2.40	
Weighted average number of shares outstanding:								
Basic	7,375		7,771		7,440		7,780	
Diluted	7,560		7,934		7,643		7,964	

CRA INTERNATIONAL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED
OCTOBER 2, 2021 COMPARED TO SEPTEMBER 26, 2020
(IN THOUSANDS)

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue	October 2, 2021	As a % of Revenue	September 26, 2020	As a % of Revenue
Revenues	\$ 136,412	100.0 %	\$ 121,762	100.0 %	\$ 431,167	100.0 %	\$ 370,951	100.0 %
Net income	\$ 10,945	8.0 %	\$ 5,403	4.4 %	\$ 33,012	7.7 %	\$ 17,802	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	905	0.7 %	380	0.1 %	1,901	0.5 %
Tax effect on adjustments	—	— %	(238)	-0.2 %	(103)	— %	(508)	-0.1 %
Non-GAAP net income	\$ 10,945	8.0 %	\$ 6,070	5.0 %	\$ 33,289	7.7 %	\$ 19,195	5.2 %
Adjustments needed to reconcile non-GAAP net income to non-GAAP EBITDA:								
Interest expense, net	183	0.1 %	277	0.2 %	791	0.2 %	1,011	0.3 %
Provision for income taxes	1,908	1.4 %	2,361	1.9 %	9,421	2.2 %	7,252	2.0 %
Depreciation and amortization	3,141	2.3 %	3,244	2.7 %	9,657	2.2 %	9,293	2.5 %
Non-GAAP EBITDA	\$ 16,177	11.9 %	\$ 11,952	9.8 %	\$ 53,158	12.3 %	\$ 36,751	9.9 %

CRA INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	October 2, 2021	January 2, 2021
Assets		
Cash and cash equivalents	\$ 19,665	\$ 45,677
Accounts receivable and unbilled services, net	173,834	152,476
Other current assets	20,402	21,817
Total current assets	213,901	219,970
Property and equipment, net	55,577	62,878
Goodwill and intangible assets, net	93,366	94,295
Right-of-use assets	113,759	122,144
Other assets	53,304	59,223
Total assets	\$ 529,907	\$ 558,510
Liabilities and Shareholders' Equity		
Accounts payable	\$ 22,916	\$ 19,430
Accrued expenses	128,701	136,376
Current portion of lease liabilities	14,188	13,557
Revolving line of credit	6,000	—
Other current liabilities	10,265	30,768
Total current liabilities	182,070	200,131
Non-current portion of lease liabilities	128,565	139,447
Other non-current liabilities	14,987	9,913
Total liabilities	325,622	349,491
Total shareholders' equity	204,285	209,019
Total liabilities and shareholders' equity	\$ 529,907	\$ 558,510

CRA INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Fiscal Year-to-Date Period Ended	
	October 2, 2021	September 26, 2020
Operating activities:		
Net income	\$ 33,012	\$ 17,802
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Non-cash items, net	20,948	20,281
Accounts receivable and unbilled services	(22,324)	(13,042)
Working capital items, net	(17,733)	(35,693)
Net cash provided by (used in) operating activities	13,903	(10,652)
Investing activities:		
Purchases of property and equipment	(1,730)	(15,742)
Net cash used in investing activities	(1,730)	(15,742)
Financing activities:		
Issuance of common stock, principally stock options exercises	5,005	1,667
Borrowings under revolving line of credit	72,000	77,000
Repayments under revolving line of credit	(66,000)	(39,000)
Tax withholding payments reimbursed by shares	(588)	(390)
Cash paid for contingent consideration	(2,357)	—
Cash dividends paid	(5,903)	(5,412)
Repurchase of common stock	(39,977)	(8,807)
Net cash provided by (used in) financing activities	(37,820)	25,058
Effect of foreign exchange rates on cash and cash equivalents	(365)	(195)
Net decrease in cash and cash equivalents	(26,012)	(1,531)
Cash and cash equivalents at beginning of period	45,677	25,639
Cash and cash equivalents at end of period	\$ 19,665	\$ 24,108
Noncash investing and financing activities:		
Purchases of property and equipment not yet paid for	\$ 7	\$ 3,923
Asset retirement obligations	\$ —	\$ 155
Right-of-use assets obtained in exchange for lease obligations	\$ 1,751	\$ 2,601
Restricted common stock issued for contingent consideration	\$ 2,250	\$ —
Supplemental cash flow information:		
Cash paid for taxes	\$ 12,484	\$ 5,933
Cash paid for interest	\$ 528	\$ 932
Cash paid for amounts included in operating lease liabilities	\$ 15,556	\$ 13,736

Contacts:

Dan Mahoney
Chief Financial Officer
Charles River Associates
617-425-3505

Nicholas Manganaro
Sharon Merrill Associates, Inc.
crai@investorrelations.com
617-542-5300

CHARLES RIVER ASSOCIATES (CRA) INCREASES QUARTERLY CASH DIVIDEND 19% FROM \$0.26 TO \$0.31 PER COMMON SHARE

BOSTON, November 4, 2021 – Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial and management consulting services, today announced that its Board of Directors has declared a 19% increase in the quarterly cash dividend from \$0.26 to \$0.31 per common share to be paid on December 10, 2021 to shareholders of record of CRA's common stock as of the close of business on November 30, 2021. The Company expects to continue paying quarterly dividends, the declaration, timing and amounts of which remain subject to the discretion of CRA's Board of Directors.

About Charles River Associates (CRA)

Charles River Associates® is a leading global consulting firm specializing in economic, financial and management consulting services. CRA advises clients on economic and financial matters pertaining to litigation and regulatory proceedings, and guides corporations through critical business strategy and performance-related issues. Since 1965, clients have engaged CRA for its unique combination of functional expertise and industry knowledge, and for its objective solutions to complex problems. Headquartered in Boston, CRA has offices throughout the world. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at www.crai.com. Follow us on [LinkedIn](#), [Twitter](#), and [Facebook](#).

SAFE HARBOR STATEMENT

Statements in this press release concerning our expectations regarding the payment of future quarterly dividends are “forward-looking” statements as defined in Section 21 of the Exchange Act. These statements are based upon our current expectations and various underlying assumptions. Although we believe there is a reasonable basis for these statements and assumptions, and these statements are expressed in good faith, these statements are subject to a number of additional factors and uncertainties. These factors include, but are not limited to, the possibility that the demand for our services may decline as a result of changes in general and industry specific economic conditions; the timing of engagements for our services; the effects of competitive services and pricing; our ability to attract and retain key employee or non-employee experts; the inability to integrate and utilize existing consultants and personnel; the decline or reduction in project work or activity; global economic conditions including less stable political and economic environments; the potential impact of the COVID-19 pandemic on our operations and results; foreign currency exchange rate fluctuations; unanticipated expenses and liabilities; risks inherent in international operations; changes in tax law or accounting standards, rules, and regulations; our ability to collect on forgivable loans should any become due; and professional and other legal liability or settlements. Additional risks and uncertainties are discussed in our periodic filings with the Securities and Exchange Commission under the heading “Risk Factors.” The inclusion of such forward-looking information should not be regarded as our representation that the future events, plans, or expectations contemplated will be achieved. Except as may be required by law, we undertake no obligation to update any forward-looking statements after the date of this press release, and we do not intend to do so.