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**CHARLES RIVER ASSOCIATES (CRA) REPORTS  
FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2023**

*Forensic Services and Life Sciences Deliver Double-Digit Revenue Growth*

*Company Increases Quarterly Dividend by 17%*

*Company to Host Investor Day on November 29, 2023*

BOSTON, November 2, 2023 – [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 September 30, 2023.

“Our third quarter was shaped by an unexpected slowdown in new project originations at a time of higher than expected headcount, resulting in an unusual departure from CRA’s long history of delivering revenue and profit expansion,” said [Paul Maleh](#), CRA’s President and Chief Executive Officer. “In light of the macroeconomic uncertainty that marked the third quarter, I was pleased that six of our 11 practices grew year over year, with two of our largest practices – Forensic Services and Life Sciences – delivering double-digit revenue increases. At the same time, our international operations continued their strong performance by expanding 13.2% year over year.”

**Highlights for Third Quarter Fiscal 2023**

- Revenue declined 0.6% year over year to \$147.6 million.
- Utilization was 66%, and quarter-end headcount increased 11.3% year over year.
- Net income decreased 27.6% year over year to \$8.6 million, or 5.8% of revenue, compared with \$11.9 million, or 8.0% of revenue, in the third quarter of fiscal 2022; non-GAAP net income decreased 24.1% year over year to \$8.0 million, or 5.4% of revenue, compared with \$10.6 million, or 7.1% of revenue, in the third quarter of fiscal 2022.
- Earnings per diluted share decreased 25.8% year over year to \$1.21 from \$1.63 in the third quarter of fiscal 2022; non-GAAP earnings per diluted share decreased 22.1% year over year to \$1.13 from \$1.45 in the third quarter of fiscal 2022.
- Non-GAAP EBITDA decreased 23.4% to \$13.8 million, or 9.3% of revenue, compared with \$18.0 million, or 12.1% of revenue, in the third quarter of fiscal 2022.
- On a constant currency basis relative to the third quarter of fiscal 2022, revenue, GAAP net income and earnings per diluted share would have been lower by \$1.8 million, \$0.2 million, and \$0.03 per diluted share, respectively. Non-GAAP net income, earnings per diluted share, and non-GAAP EBITDA would have been lower by \$0.2 million, \$0.03 per diluted share and \$0.4 million, respectively.
- CRA returned \$2.5 million of capital to its shareholders via quarterly dividend payments.

**Management Commentary and Financial Guidance**

“Through the first three quarters of fiscal 2023, on a constant currency basis relative to fiscal 2022, CRA generated total revenue of \$463.8 million and non-GAAP EBITDA of \$50.0 million, achieving a margin of 10.8%,” said Maleh. “Given results to date and lingering uncertainties across the broader economy, we are lowering our revenue and profit guidance. For full-year fiscal 2023, on a constant currency basis relative to fiscal 2022, we expect revenue in the range of \$610.0 million to \$620.0 million and non-GAAP EBITDA margin in the range of 10.3% to 10.7%. This compares with a prior revenue range of \$625.0 million to \$640.0 million and a prior non-GAAP EBITDA margin range of 11.0% to 11.7%. We remain confident in CRA’s overall competitive position, which is

reflected in our decision to raise our quarterly cash dividend by 17%, but we are mindful that macroeconomic headwinds and geopolitical conditions can affect our business.”

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 2, 2023, CRA announced that it increased its quarterly cash dividend by 17% from \$0.36 to \$0.42 per common share. The dividend will be payable on December 8, 2023 to shareholders of record as of November 28, 2023. 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.

### **Investor Day**

CRA will host an investor day on Wednesday, November 29 at the Fairmont Copley Plaza hotel in Boston to discuss its business, strategy and industry trends in greater depth, with presentations from members of the Company’s Antitrust & Competition Economics, Forensic Services and Life Sciences practices. A live webcast will be available on the “[Investor Relations](#)” section of CRA’s website.

### **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 2023 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 “Quarterly Earnings” 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](http://www.crai.com). Follow us on [LinkedIn](#), [X](#), 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.

As used herein, 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, acquisition-related costs, foreign currency (gains) losses, net 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, acquisition-related costs, foreign currency (gains) losses, net 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 September 30, 2023 relative to the fiscal year-to-date period ended October 1, 2022, revenue and EBITDA would have been higher by \$1.4 million and \$0.8 million, respectively.

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 expanded 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 2023 on a constant currency basis relative to fiscal 2022 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 epidemics or pandemics such as 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**  
**SEPTEMBER 30, 2023 COMPARED TO OCTOBER 1, 2022**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	September 30, 2023	As a % of Revenue	October 1, 2022	As a % of Revenue	September 30, 2023	As a % of Revenue	October 1, 2022	As a % of Revenue
Revenues	\$ 147,553	100.0 %	\$ 148,441	100.0 %	\$ 462,363	100.0 %	\$ 445,925	100.0 %
Costs of services (exclusive of depreciation and amortization)	105,894	71.8 %	102,267	68.9 %	327,064	70.7 %	309,403	69.4 %
Selling, general and administrative expenses	27,919	18.9 %	28,246	19.0 %	86,137	18.6 %	82,026	18.4 %
Depreciation and amortization	2,947	2.0 %	3,034	2.0 %	8,762	1.9 %	9,060	2.0 %
Income from operations	10,793	7.3 %	14,894	10.0 %	40,400	8.7 %	45,436	10.2 %
Interest expense, net	(1,025)	-0.7 %	(667)	-0.4 %	(3,212)	-0.7 %	(1,343)	-0.3 %
Foreign currency gains (losses), net	755	0.5 %	1,667	1.1 %	(459)	-0.1 %	3,566	0.8 %
Income before provision for income taxes	10,523	7.1 %	15,894	10.7 %	36,729	7.9 %	47,659	10.7 %
Provision for income taxes	1,927	1.3 %	4,017	2.7 %	9,707	2.1 %	12,713	2.9 %
Net income	\$ 8,596	5.8 %	\$ 11,877	8.0 %	\$ 27,022	5.8 %	\$ 34,946	7.8 %
Net income per share:								
Basic	\$ 1.22		\$ 1.66		\$ 3.83		\$ 4.81	
Diluted	\$ 1.21		\$ 1.63		\$ 3.78		\$ 4.72	
Weighted average number of shares outstanding:								
Basic	6,977		7,119		7,026		7,247	
Diluted	7,083		7,246		7,138		7,376	

**CRA INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**SEPTEMBER 30, 2023 COMPARED TO OCTOBER 1, 2022**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

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Net income	\$ 8,596	5.8 %	\$ 11,877	8.0 %	\$ 27,022	5.8 %	\$ 34,946	7.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	16	— %	—	— %	52	— %	—	— %
Acquisition-related costs	—	— %	30	— %	22	— %	233	0.1 %
Foreign currency (gains) losses, net	(755)	-0.5 %	(1,667)	-1.1 %	459	0.1 %	(3,566)	-0.8 %
Tax effect on adjustments	166	0.1 %	329	0.2 %	(138)	— %	647	0.1 %
Non-GAAP net income	\$ 8,023	5.4 %	\$ 10,569	7.1 %	\$ 27,417	5.9 %	\$ 32,260	7.2 %
Non-GAAP net income per share:								
Basic	\$ 1.14		\$ 1.48		\$ 3.89		\$ 4.44	
Diluted	\$ 1.13		\$ 1.45		\$ 3.83		\$ 4.36	
Weighted average number of shares outstanding:								
Basic	6,977		7,119		7,026		7,247	
Diluted	7,083		7,246		7,138		7,376	

**CRA INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**SEPTEMBER 30, 2023 COMPARED TO OCTOBER 1, 2022**  
**(IN THOUSANDS)**

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Net income	\$ 8,596	5.8 %	\$ 11,877	8.0 %	\$ 27,022	5.8 %	\$ 34,946	7.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	16	— %	—	— %	52	— %	—	— %
Acquisition-related costs	—	— %	30	— %	22	— %	233	0.1 %
Foreign currency (gains) losses, net	(755)	-0.5 %	(1,667)	-1.1 %	459	0.1 %	(3,566)	-0.8 %
Tax effect on adjustments	166	0.1 %	329	0.2 %	(138)	— %	647	0.1 %
Non-GAAP net income	\$ 8,023	5.4 %	\$ 10,569	7.1 %	\$ 27,417	5.9 %	\$ 32,260	7.2 %
Adjustments needed to reconcile non-GAAP net income to non-GAAP EBITDA:								
Interest expense, net	1,025	0.7 %	667	0.4 %	3,212	0.7 %	1,343	0.3 %
Provision for income taxes	1,761	1.2 %	3,688	2.5 %	9,845	2.1 %	12,066	2.7 %
Depreciation and amortization	2,947	2.0 %	3,034	2.0 %	8,762	1.9 %	9,060	2.0 %
Non-GAAP EBITDA	\$ 13,756	9.3 %	\$ 17,958	12.1 %	\$ 49,236	10.6 %	\$ 54,729	12.3 %

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 27,604	\$ 31,447
Accounts receivable and unbilled services, net	193,321	194,987
Other current assets	27,777	22,426
<b>Total current assets</b>	<b>248,702</b>	<b>248,860</b>
Property and equipment, net	39,963	45,582
Goodwill and intangible assets, net	101,008	101,510
Right-of-use assets	88,871	96,725
Other assets	60,501	58,240
<b>Total assets</b>	<b>\$ 539,045</b>	<b>\$ 550,917</b>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 24,711	\$ 27,584
Accrued expenses	137,920	155,864
Current portion of lease liabilities	16,193	15,972
Revolving line of credit	32,000	—
Other current liabilities	13,424	17,705
<b>Total current liabilities</b>	<b>224,248</b>	<b>217,125</b>
Non-current portion of lease liabilities	95,406	106,008
Other non-current liabilities	11,433	16,630
<b>Total liabilities</b>	<b>331,087</b>	<b>339,763</b>
Total shareholders' equity	207,958	211,154
<b>Total liabilities and shareholders' equity</b>	<b>\$ 539,045</b>	<b>\$ 550,917</b>

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

	<b>Fiscal Year-to-Date Period Ended</b>	
	<b>September 30, 2023</b>	<b>October 1, 2022</b>
<b>Operating activities:</b>		
Net income	\$ 27,022	\$ 34,946
Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses:		
Non-cash items, net	21,542	21,723
Accounts receivable and unbilled services	1,559	(48,853)
Working capital items, net	(50,150)	(42,831)
Net cash used in operating activities	(27)	(35,015)
<b>Investing activities:</b>		
Purchases of property and equipment, net	(2,008)	(2,999)
Consideration paid for acquisition, net	(577)	(10,185)
Net cash used in investing activities	(2,585)	(13,184)
<b>Financing activities:</b>		
Issuance of common stock, principally stock options exercises	—	760
Borrowings under revolving line of credit	105,000	124,000
Repayments under revolving line of credit	(73,000)	(79,000)
Payments for debt issuance costs	—	(1,008)
Tax withholding payments reimbursed by shares	(2,040)	(1,002)
Cash dividends paid	(7,773)	(6,860)
Repurchase of common stock	(23,577)	(27,630)
Net cash provided by (used in) financing activities	(1,390)	9,260
Effect of foreign exchange rates on cash and cash equivalents	159	(3,098)
Net decrease in cash and cash equivalents	(3,843)	(42,037)
Cash and cash equivalents at beginning of period	31,447	66,130
Cash and cash equivalents at end of period	\$ 27,604	\$ 24,093
<b>Noncash investing and financing activities:</b>		
Increase (decrease) in accounts payable and accrued expenses for property and equipment	\$ (129)	\$ (201)
Excise tax on share repurchases	\$ (190)	\$ —
Right-of-use assets obtained in exchange for lease obligations	\$ 2,503	\$ 2,146
<b>Supplemental cash flow information:</b>		
Cash paid for taxes	\$ 9,953	\$ 11,407
Cash paid for interest	\$ 2,904	\$ 1,026
Cash paid for amounts included in operating lease liabilities	\$ 16,660	\$ 15,864