

An Overview of Charles River Associates

Q1 FY2025



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A Leading Global Consulting Firm



For 60 years, Charles River Associates (CRA) has been a premier consulting firm. In 1965, our founders envisioned a company that would bring the developing expertise of academia, especially in the then-burgeoning area of quantitative methods in economics, to the business world. This vision continues to resonate strongly today as we apply cutting-edge quantitative tools and microeconomic analysis to our clients' most important challenges.



Two Lines of Business

Legal & Regulatory Consulting
“Cutting Edge Approaches
to High Stakes Cases” (~80%
of Revenue)

Management Consulting
Sector Specialized Boutique
(~20% of Revenue)



Client Base

Multinational Corporations

Law Firms

Government Regulators



Sources of Distinctiveness

Leading Experts

Client-Tailored Model

Superior Analytics

Industry Insight

Senior-Led



Geographic Footprint

More than 20 Offices
Across 10 Countries

Revenue split ~80% North
America and ~20%
International

Performance Driven by Highly Talented and Dedicated Colleagues



74% of senior staff have advanced degrees, with 40% of the advanced degrees being PhDs



47% of senior staff have been at CRA more than 5 years, with 19% of senior staff exceeding 10 years



CRA accepts less than 2% of campus applicants



Our staff hail from over 70 countries across 6 continents



Less than 10% voluntary turnover among top revenue generating employees over past 5 years



Over 35 languages spoken

Note: Figures as of year-end fiscal 2024.

Solving Complex Problems with High Value-Added Expertise

Each of our practices is highly regarded, and our consultants are recognized for their creative and multidisciplinary approach to solving clients' complex problems in the US and throughout the world



Antitrust & Competition



Labor & Employment



Financial Economics



Auctions & Competitive Bidding



Life Sciences



Forensic Services



Energy



Marakon



Intellectual Property



Finance



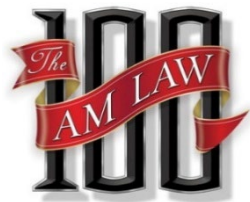
Risk, Investigations, & Analytics

In the Past Two Years, We Have Worked with 85 of the Fortune 100



Note: Figures as of year-end fiscal 2024.

In the Past Two Years, We Have Partnered with 98 of the Top 100 Law Firms



Law Firm

WACHTELL
LIPTON
ROSEN &
KATZ

SIDLEY

JONES
DAY

Simpson
Thacher

GT GreenbergTraurig

WHITE & CASE

orrick

ROPES & GRAY

Dechert
LLP

BAKER BOTTS

WILSON
SONSINI

BRYAN
CAVE
LEIGHTON
PAISNER BLP

Baker
McKenzie.

Akin®

Cooley

Skadden

Proskauer»

VENABLE LLP

Weil

WILMERHALE® WH®

DLA PIPER

MAYER | BROWN

KIRKLAND & ELLIS

ALSTON & BIRD

CRAVATH

SULLIVAN & CROMWELL LLP

Note: Figures as of year-end fiscal 2024.

We Are Delivering Growth While Returning Capital to Shareholders



**Revenue
Growth**



**Headcount
Growth**



**EPS
Growth***



**Stock
Repurchases**



**Cash
Dividends**

**Fiscal 2025
Q1****

6%

-5%

utilization of 76%

13%

\$0M

\$3M

Fiscal 2024

10%

-6%

utilization of 75%

39%

\$33M

average price of
\$162 per share

\$12M

**Fiscal Years
2020-2024**

52%

21%

utilization of 73%

142%

\$151M

average price of
\$88 per share

\$48M

*Presented on a non-GAAP basis. A reconciliation to the comparable GAAP financial measures appears at the end of this presentation.

**Growth rates are calculated on a year-over-year basis.

Investment Thesis

We are committed to being the firm of choice for our clients as they address their most important litigation, regulatory, and strategic challenges, as well as for our employees as they seek a fulfilling and exciting place to work



Leading experts in their respective fields



Management team with strong track record of operating performance



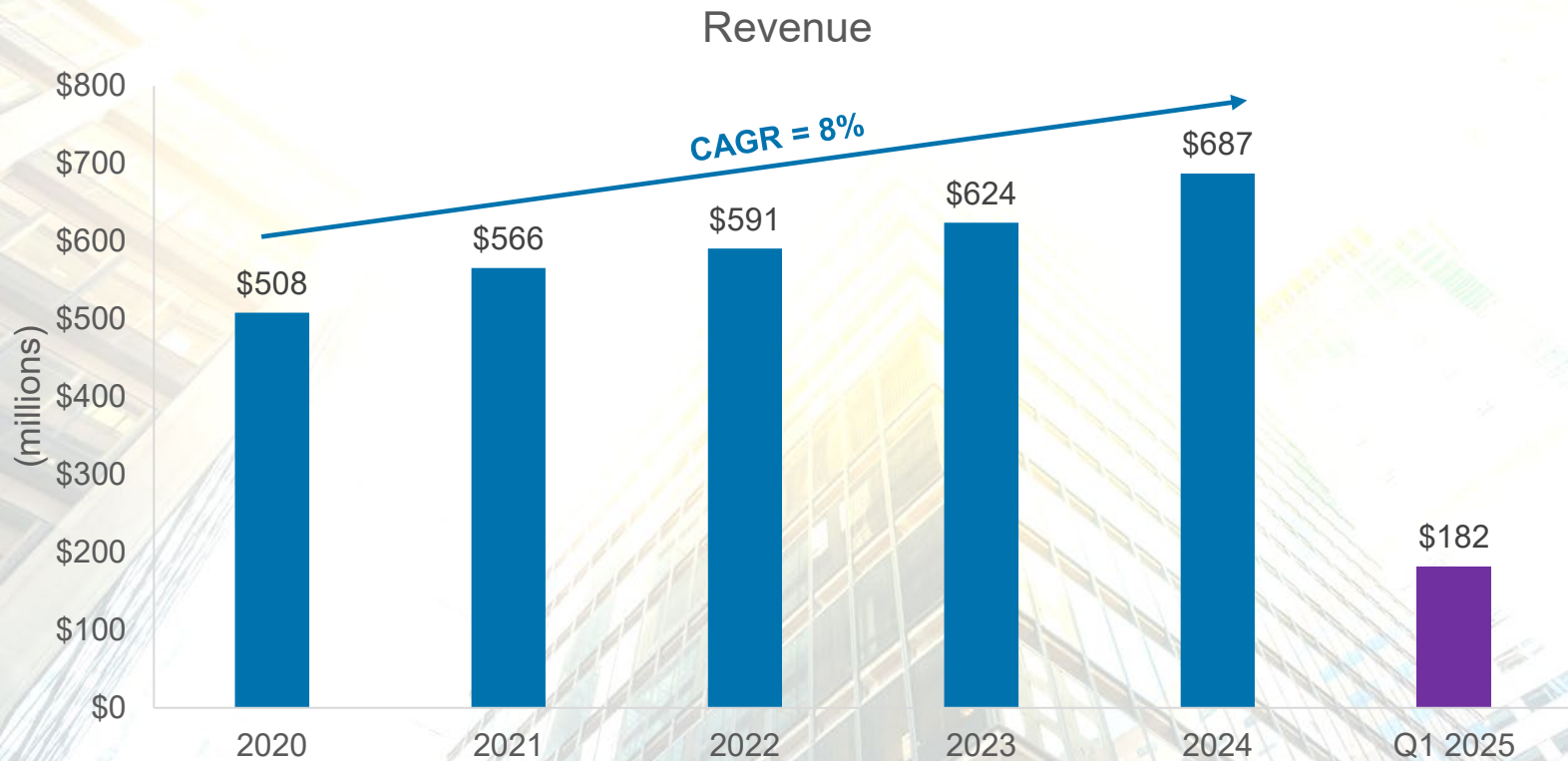
History of strong cash flows and no long-term debt



Value-based decision makers with disciplined capital allocation strategy

Our objective is to maximize CRA's long-term value per share

Consistently Strong Performance Reflects the Quality of Portfolio and the Breadth of Contributors



Against challenging comparisons, CRA has achieved record-breaking revenue in each of the past seven fiscal years

Healthy EBITDA Margin Despite Inclusion of Non-Cash Amortization of Forgivable Loans

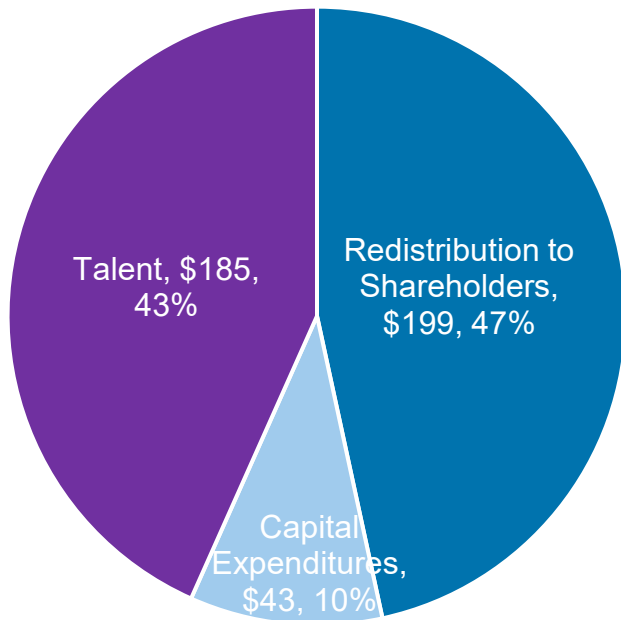
(\$ in millions)	2020	2021	2022	2023	2024	Q1 2025
Revenue	\$508	\$566	\$591	\$624	\$687	\$182
EBITDA*	\$51	\$69	\$71	\$68	\$90	\$25
% of Revenue	10.0%	12.2%	12.0%	10.9%	13.2%	13.6%
Non-Cash Amortization of Forgivable Loans**	\$31	\$33	\$35	\$37	\$36	\$9
% of Revenue	6.1%	5.8%	5.9%	6.0%	5.3%	5.0%

*Presented on a non-GAAP basis. A reconciliation to the comparable GAAP financial measures appears at the end of this presentation.

**2024 excludes \$5.7 million associated with portfolio optimization actions, while Q1 2025 excludes reversal of \$5.4M of non-cash charges associated with a previously recorded performance award.

Capital Allocation Philosophy: Uses of Capital

Uses of Capital (FY2020-24)



Note: Dollar figures in millions

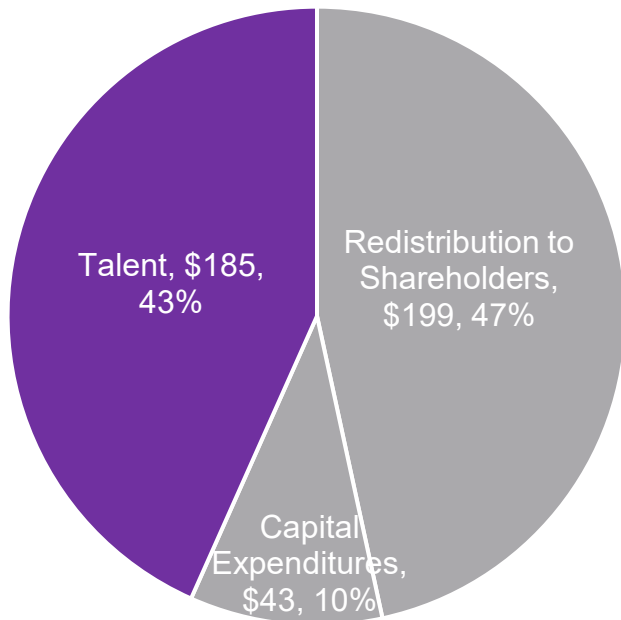
Given the strength of our business, all of our investments have been funded from operations

We always seek to deliver returns well above our cost of capital

Looking forward, we aim to return half of our adjusted net cash flows from operations to shareholders

Capital Allocation Philosophy: Talent Strategy

Uses of Capital (FY2020-24)



Note: Dollar figures in millions

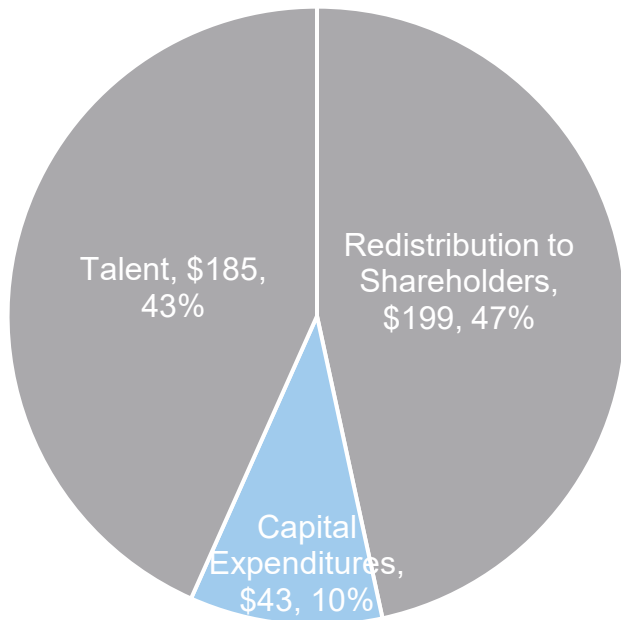
We use capital to drive growth, both in support of organic initiatives and inorganic pursuits; over this period, revenue has increased by greater than 50%, or more than \$230 million

Historically, our revenue growth has been balanced between organic and inorganic opportunities; our goal is to have a growth engine tilted toward organic initiatives and supplemented by inorganic pursuits

Our talent investments will be focused on service offerings within our existing lines of business and related adjacencies

Capital Allocation Philosophy: Capital Expenditures

Uses of Capital (FY2020-24)



Note: Dollar figures in millions

Outlays associated with lease expirations and office expansions to accommodate growth accounted for \$19 million of total capital expenditures

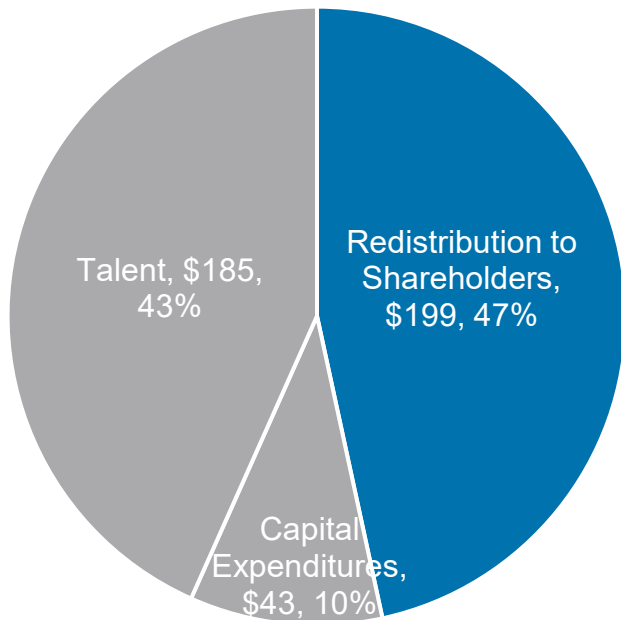
Our investments in office buildouts have focused on efficient space planning, reducing our footprint per employee while at the same time offering an attractive destination for top talent

Occupancy of approximately 70% across our offices provides for future expansion without the need for significant capital outlays

Our non-real estate capital expenditures are typically modest, averaging less than \$5 million per year

Capital Allocation Philosophy: Redistribution to Shareholders

Uses of Capital (FY2020-24)



Note: Dollar figures in millions

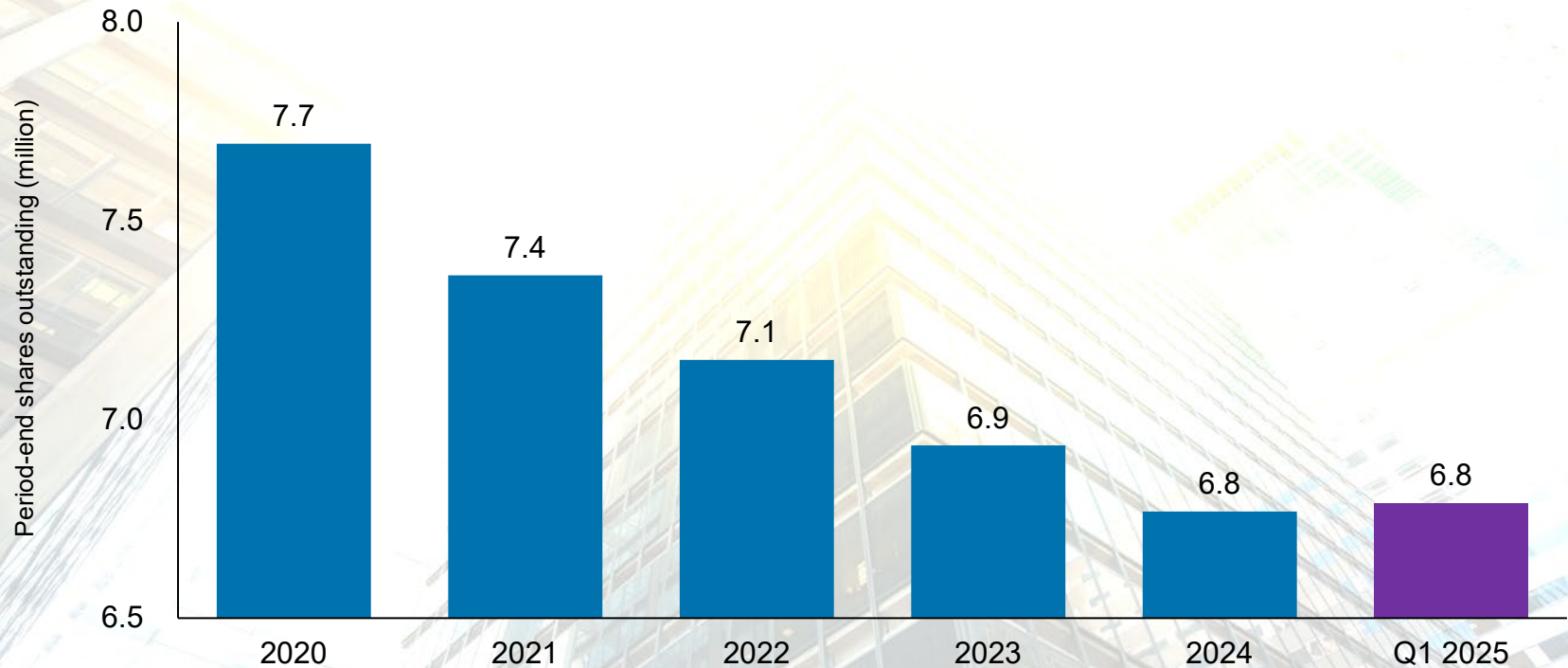
Redistributions to shareholders have consisted of \$151 million of share repurchases and \$48 million of dividend payments

CRA has repurchased 1.7 million shares at an average cost of \$88 per share during 2020-2024, reducing net shares outstanding by 13%

We initiated a quarterly dividend of \$0.14 per share in Q4 of 2016, with subsequent increases in each year 2017-2024, resulting in a current quarterly dividend of \$0.49 per share

During 2020-2024, stock repurchases and dividend payments have combined to deliver an average shareholder yield of approximately 6% relative to our average market capitalization

Shareholder Distributions Significantly Reduced Shares Outstanding, Magnifying Per Share Value Gains



Over the past decade, shares outstanding have shrunk by more than 25%

Expectations for the Future



For FY2025, we have provided the following annual financial guidance on a constant currency basis

Revenue range of
\$715 – \$735 million*

Non-GAAP EBITDA margin range
of 12.0% – 13.0%*



Over the next several years and consistent with past performance, we intend to continue targeting the following metrics

Average annual revenue growth
in the mid-single digits driven
primarily from organic pursuits

Utilization in the mid-70s

Return approximately 50% of
adjusted cash flows from
operations to shareholders

*FY2025 guidance as of May 1, 2025. Guidance is presented on a constant currency basis relative to fiscal 2024. 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.

Evergreen End Markets and Primary Demand Drivers



Legal Spend



Mergers &
Acquisitions



Regulatory
& Public Policy



Strategy & Operations
Consulting

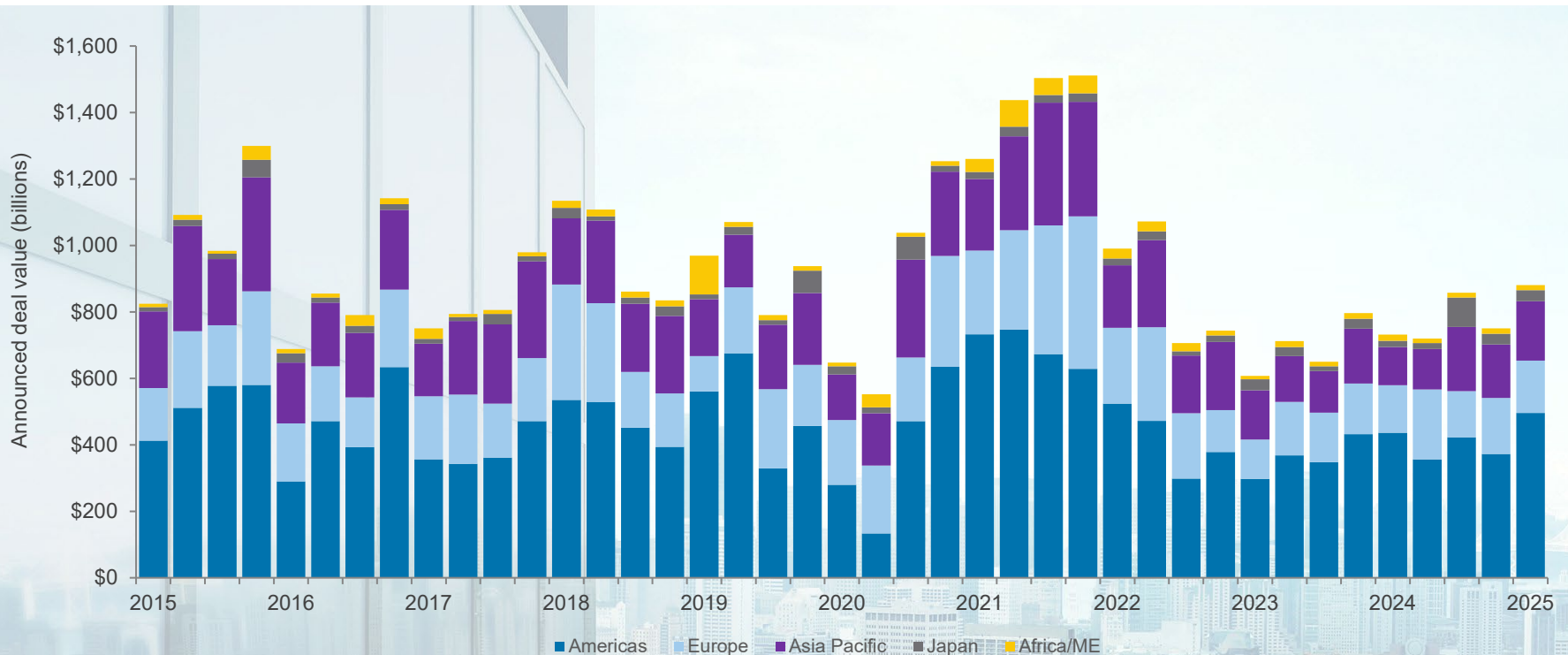
Strong Performance in Legal & Regulatory Services Despite Modest Growth in Legal Spending



Source: BTI 23rd Annual Survey of Top Legal Decision Makers, October 2024

**CRA's litigation growth has come from taking market share
and successfully targeting faster growing segments**

Our Business Has Performed Well Through Fluctuations in Global M&A Activity



Source: LSEG, April 2025

Both lines of business benefit from M&A activity as it causes companies to face the realities of a changing competitive landscape

Growing Complexity in Regulatory Markets Benefit Our Legal & Regulatory and Management Consulting Businesses



“This is why we are working to adapt our competition tools to the new challenges that lie ahead. We will preserve the fundamentals, which have stood the test of time, but we need to factor in today's complex technological, economic, and geopolitical challenges. The world is not the type of world we just to know anymore. We need to ensure that competition policy continues to be an enabler of our other policy objectives, in particular innovation, decarbonization and economic security within our borders, and a level playing field worldwide.”

Teresa Ribera, Executive Vice President, European Commission
Remarks at the Forum Europa Brussels Breakfast, 19 January 2025



“...in regulating financial crypto, we ought not be bound by the way we have long regulated existing financial markets. We should welcome the opportunity to reevaluate existing regulation in the light of these questions to ensure its appropriateness for both traditional and new markets.”

Hester M. Peirce, Commissioner, U.S. Securities and Exchange Commission
Remarks before The Digital Chamber's 8th Annual DC Blockchain Summit, 26 March 2025

CRA's clients benefit from our ability to keep pace with the evolving focus of legal and regulatory proceedings around the world

Consulting Services Remain in Demand During Both Positive and Challenging Economic Environments



Key Trends in Management Consulting

The anticipated increase in business sentiment and aggregate private investment will boost demand

Ease of entry allows consultants to meet and benefit from external shocks

Expert knowledge of industry advances is crucial for providing sound advice and overseeing the implementation of client processes and procedures

Serving a diverse client base allows consultants to specialize and create multiple revenue streams

Given recent trends, we are maintaining our sector focus and increasing our analytical capabilities to position CRA for future growth

Representative Client Matters



Legal & Regulatory Consulting



CRA was retained by Cisco, a leading global technology company, to provide economic analyses across worldwide jurisdictions in support of its \$28 billion acquisition of Splunk, a cybersecurity leader. Cisco received unconditional clearance from the European Commission, while the US Department of Justice declined to issue a Second Request.

Legal & Regulatory Consulting



A multi-national insurance broker faced a severe ransomware attack, triggering a partial network shutdown and massive data exfiltration. CRA leveraged sophisticated endpoint management, detection and response tools to provide comprehensive asset visibility and to accelerate the hunt for threats, while also supporting timely notifications to alert impacted individuals.

Legal & Regulatory Consulting



The European Commission fined Teva €462.6 million for delaying competition for its blockbuster drug, Copaxone. CRA advised various third parties on this case culminating in the Commission's decision against Teva's conduct. Specifically, the Commission found that Teva had abused its dominant position by misusing the patent system to artificially extend the patent protection of Copaxone and by disseminating misleading information about the safety and efficacy of a competing product.

Legal & Regulatory Consulting



CRA was retained by Colombia in an international arbitration dispute brought by Eco Oro Minerals Corp. that alleged Colombia had expropriated its gold-silver mining project in the Andes. CRA experts testified on the market value of the mining project. Based in part on the testimony of the CRA experts, the Tribunal decided to award \$0 to the claimant.

Legal & Regulatory Consulting



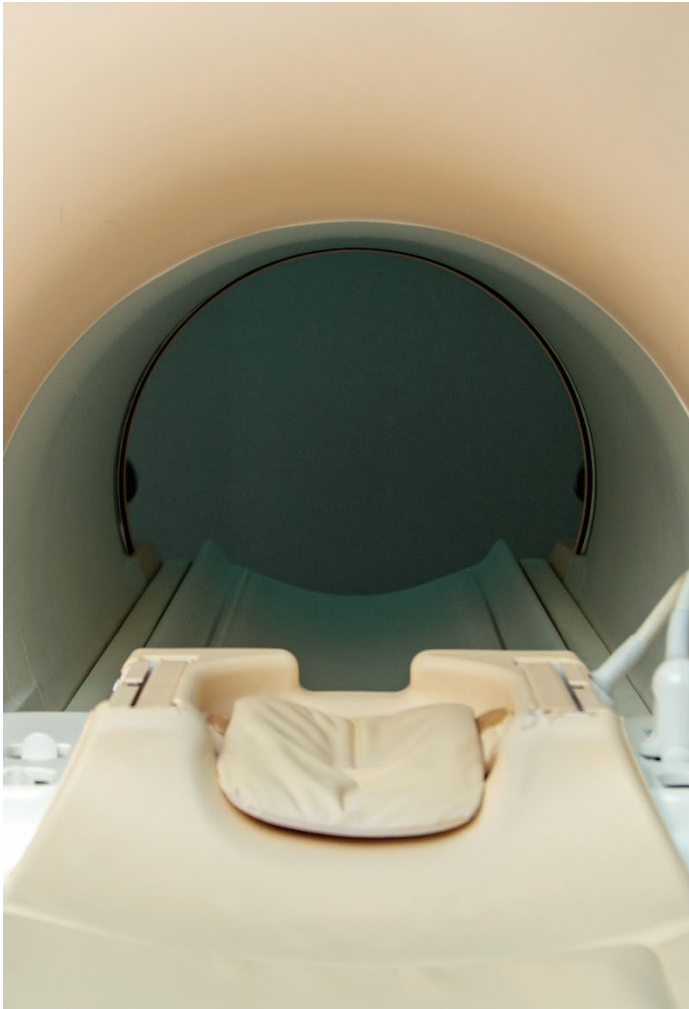
CRA conducted an investigation on behalf of a European tax authority into an alleged \$2 billion fraud connected to the distribution of government funds. CRA's team performed extensive trading and market practice analysis, investigative research, forensic accounting, flow of funds analyses, and ultimately trial testimony in several jurisdictions. These analyses leveraged data analytics to review millions of financial records, emails, and other supporting documentation.

Legal & Regulatory Consulting



CRA was engaged as an economic damages and licensing expert on behalf of Cloudflare, a global Internet cloud services provider. CRA's team contributed to Cloudflare's successful defense by helping demonstrate that the plaintiff's "licensing program" was not legitimate, and that its outdated patents were irrelevant to Cloudflare's modern infrastructure. The jury sided with Cloudflare, declaring no infringement and invalidating the plaintiff's asserted patents.

Management Consulting



A leading pharmaceutical company sought support from CRA's Life Sciences experts in the clinical development of several cancer therapy products. We developed a detailed evaluation of the tumor types that were of interest to our client and helped map the anticipated clinical changes in the treatment paradigms and performed forward-looking analyses of expected health technology assessments and pricing decision drivers. From these efforts, our client is now able to make critical business decisions using a payer-validated perspective.

Management Consulting



A major international renewable and hydrogen developer was seeking support in developing a North American hydrogen market entry strategy. The CRA team worked closely with the client team to develop a foundational fact set, conduct a clean hydrogen global production cost analysis, and chart out the path towards participation within the new market based on the client's competitive advantage and unique skill set.

Appendix

Supplemental Financial Disclosures

CRA Charles River
Associates

Reconciliation of Non-GAAP Financial Measures

	Fiscal Years						Fiscal YTD	
	2019	2020	2021	2022	2023	2024	Q1 2025	Q1 2024
(\$ in millions, except per share data)								
Revenues	\$ 451.4	\$ 508.4	\$ 565.9	\$ 590.9	\$ 624.0	\$ 687.4	\$ 181.9	\$ 171.8
Income from operations	29.3	34.8	55.7	58.7	57.5	70.8	25.5	19.6
Operating margin (%)	6.5 %	6.8 %	9.8 %	9.9 %	9.2 %	10.3 %	14.0 %	11.4 %
Net income	\$ 20.7	\$ 24.5	\$ 41.7	\$ 43.6	\$ 38.5	\$ 46.7	\$ 18.0	\$ 13.7
Net income margin (%)	4.6 %	4.8 %	7.4 %	7.4 %	6.2 %	6.8 %	9.9 %	8.0 %
Weighted average shares outstanding (diluted) in millions	8.2	7.9	7.6	7.4	7.1	6.9	6.9	7.0
Diluted earnings per share	\$ 2.53	\$ 3.07	\$ 5.45	\$ 5.91	\$ 5.39	\$ 6.74	\$ 2.62	\$ 1.95
Reconciliation of GAAP net income to non-GAAP net income:								
GAAP net income	\$ 20.7	\$ 24.5	\$ 41.7	\$ 43.6	\$ 38.5	\$ 46.7	\$ 18.0	\$ 13.7
Other	5.4	3.0	0.4	0.3	(0.8)	8.0	(4.2)	-
Foreign currency (gains) losses, net	1.3	-	0.5	(1.9)	1.4	0.1	0.5	0.1
Tax effect of non-GAAP adjustments	(1.7)	(0.8)	(0.2)	0.3	(0.1)	(2.1)	0.9	-
Non-GAAP adjustments, net of tax	5.0	2.2	0.7	(1.3)	0.5	6.0	(2.7)	0.1
Non-GAAP net income	\$ 25.7	\$ 26.7	\$ 42.4	\$ 42.3	\$ 39.0	\$ 52.6	\$ 15.3	\$ 13.8
Non-GAAP net income margin (%)	5.7 %	5.2 %	7.5 %	7.2 %	6.2 %	7.7 %	8.4 %	8.0 %
Non-GAAP net income per diluted share outstanding	\$ 3.14	\$ 3.35	\$ 5.54	\$ 5.74	\$ 5.46	\$ 7.60	\$ 2.22	\$ 1.96

Note:

Adjustments referred to as "Other" include non-cash valuation change in contingent consideration, restructuring costs, and acquisition-related costs.

Reconciliation of Non-GAAP Financial Measures (cont.)

	Fiscal Years						Fiscal YTD	
	2019	2020	2021	2022	2023	2024	Q1 2025	Q1 2024
(\$ in millions)								
Reconciliation of net income to non-GAAP EBITDA:								
Net Income	\$ 20.7	\$ 24.5	\$ 41.7	\$ 43.6	\$ 38.5	\$ 46.7	\$ 18.0	\$ 13.7
Adjustments needed to reconcile GAAP net income to non-GAAP net income:	5.0	2.2	0.7	(1.3)	0.5	6.0	(2.7)	0.1
Non-GAAP net income	\$ 25.7	\$ 26.7	\$ 42.4	\$ 42.3	\$ 39.0	\$ 52.6	\$ 15.3	\$ 13.8
Interest expense (income), net	1.3	1.2	1.0	1.8	3.8	4.4	0.4	0.5
Provision (benefit) for income taxes	7.8	10.0	12.8	14.9	13.9	21.7	5.7	5.4
Depreciation and amortization	10.6	12.8	12.8	12.0	11.6	11.7	3.4	2.8
Non-GAAP EBITDA	\$ 45.4	\$ 50.7	\$ 68.9	\$ 71.0	\$ 68.3	\$ 90.4	\$ 24.8	\$ 22.4
Non-GAAP EBITDA margin	10.1 %	10.0 %	12.2 %	12.0 %	10.9 %	13.2 %	13.6 %	13.0 %

	GAAP	Non-GAAP	Difference
Revenue growth (Fiscal Years 2020-2024)	52 %	52 %	— %
Earnings per diluted share (EPS) growth (Fiscal Years 2020-2024)	166 %	142 %	(24)%
Revenue growth (Fiscal Year 2024)	10 %	10 %	— %
Earnings per diluted share (EPS) growth (Fiscal Year 2024)	25 %	39 %	14 %
Revenue growth (Q1 2025)	6 %	6 %	— %
Earnings per diluted share (EPS) growth (Q1 2025)	34 %	13 %	(21)%

Investor Relations



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