



# Charles River Associates Investor Day

November 29, 2023

**CRA** Charles River  
Associates

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# Safe Harbor Disclaimer

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# Today's Agenda

|                   |                        |  |
|-------------------|------------------------|--|
| 11:30am – 12:30pm | Registration and Lunch |  |
| 12:30 – 1:00pm    | Introductory Remarks   | Paul Maleh                                     |
| 1:00 – 2:00pm     | Competition Practice   | Margaret Sanderson, Laila Haider, Peter Boberg |
| 2:00 – 2:10pm     | Break                  |  |
| 2:10 – 2:55pm     | Forensics Practice     | Kris Swanson, Dan Roffman                      |
| 2:55 – 3:40pm     | Life Sciences Practice | Greg Bell, Angela De Martini                   |
| 3:40 – 3:45pm     | Concluding Remarks     | Paul Maleh                                     |

# Introductory Remarks



**Paul Maleh**

Chairman of the Board,  
President and CEO

# A Leading Global Consulting Firm



For over 50 years, Charles River Associates (CRA) has been a premier consulting firm. In 1965, our founders envisioned a company that would bring the developing technology of academia, especially in the then-burgeoning area of quantitative methods in economics, to the real world. This vision continues to resonate strongly today as we apply university-quality 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

# 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**

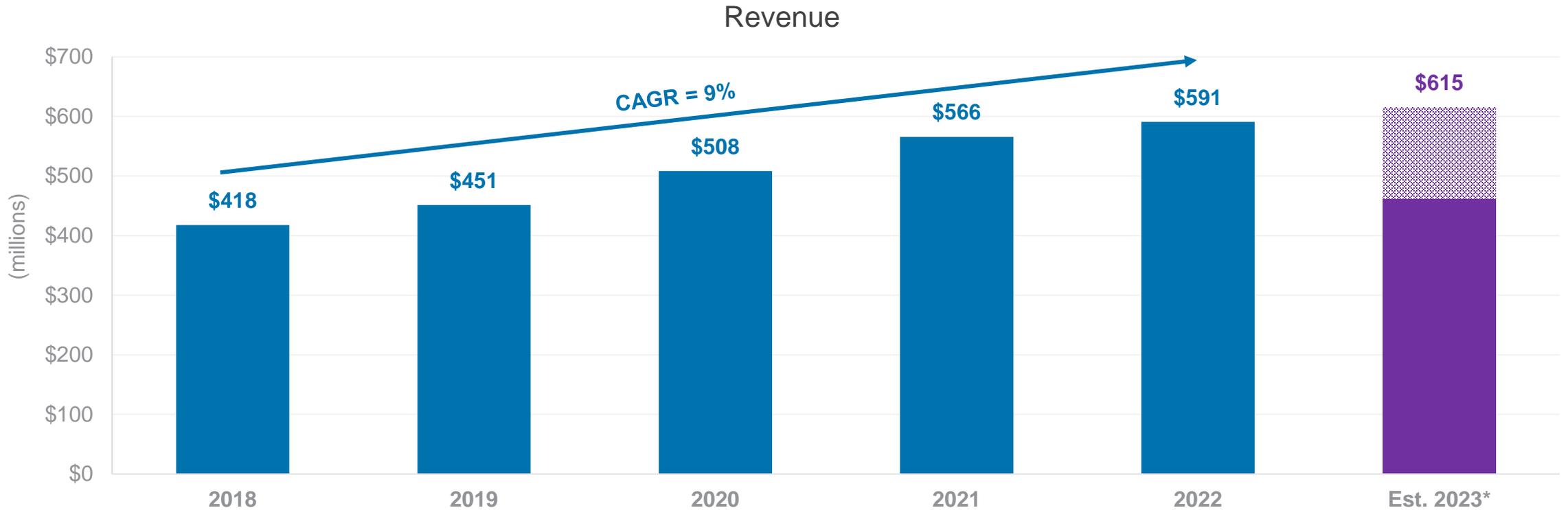
# We Are Delivering Growth While Returning Capital to Shareholders

|                               | <br><b>Revenue Growth*</b> | <br><b>Headcount Growth</b> | <br><b>EPS Growth*</b> | <br><b>Stock Repurchases</b> | <br><b>Cash Dividends</b> |
|-------------------------------|---|---|---|---|--|
| <b>Fiscal 2023 Q3 YTD</b>     | <b>4%</b><br>4% on a constant currency basis**  | <b>11%</b><br>utilization of 69%  | <b>-12%</b><br>-20% on a constant currency basis**  | <b>\$24M</b><br>average price of \$111.23 per share   | <b>\$8M</b>  |
| <b>Fiscal 2022</b>            | <b>4%</b><br>7% on a constant currency basis**  | <b>9%</b><br>utilization of 75%   | <b>4%</b><br>13% on a constant currency basis**   | <b>\$28M</b><br>average price of \$86.47 per share  | <b>\$10M</b>   |
| <b>Fiscal Years 2018-2022</b> | <b>60%</b>  | <b>49%</b><br>utilization of 74%  | <b>194%</b>   | <b>\$132M</b><br>average price of \$60.53 per share   | <b>\$38M</b>   |

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

\*\*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.

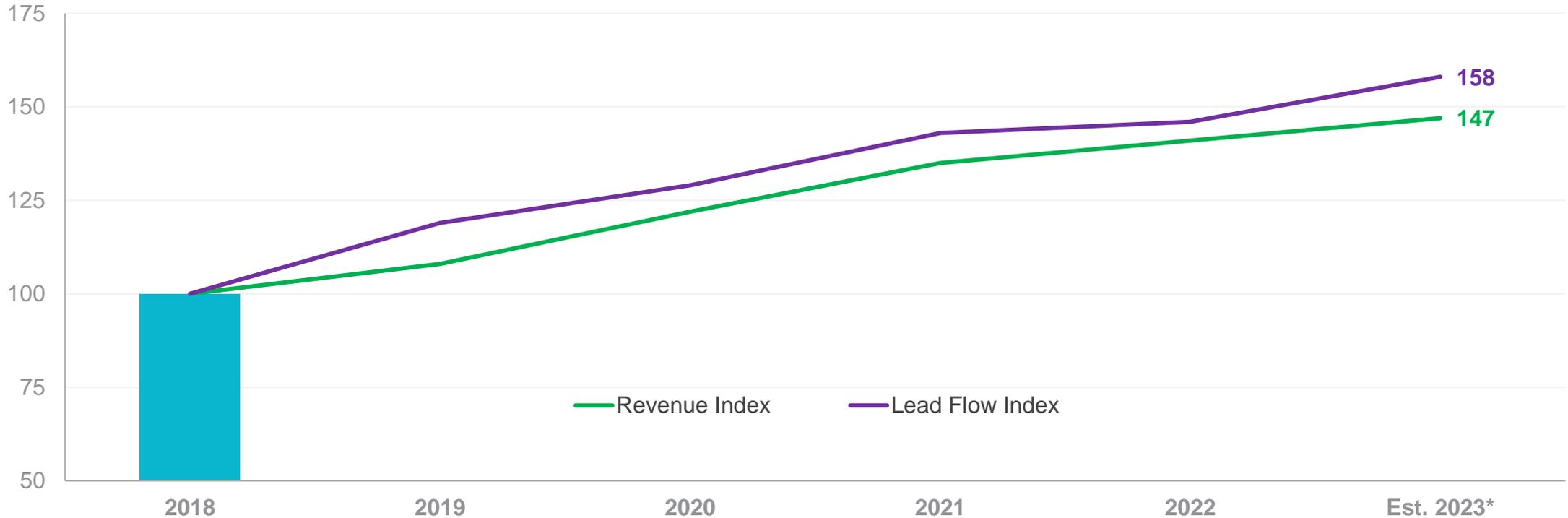
# Consistently Strong Performance Reflects the Quality of Portfolio and Breadth of Contributors



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

\*Fiscal 2023 reflects the midpoint of annual financial guidance and removes the effect of estimated constant currency adjustments.

# Project Lead Flow Has Served as a Good Barometer of Future Expansion in the Business



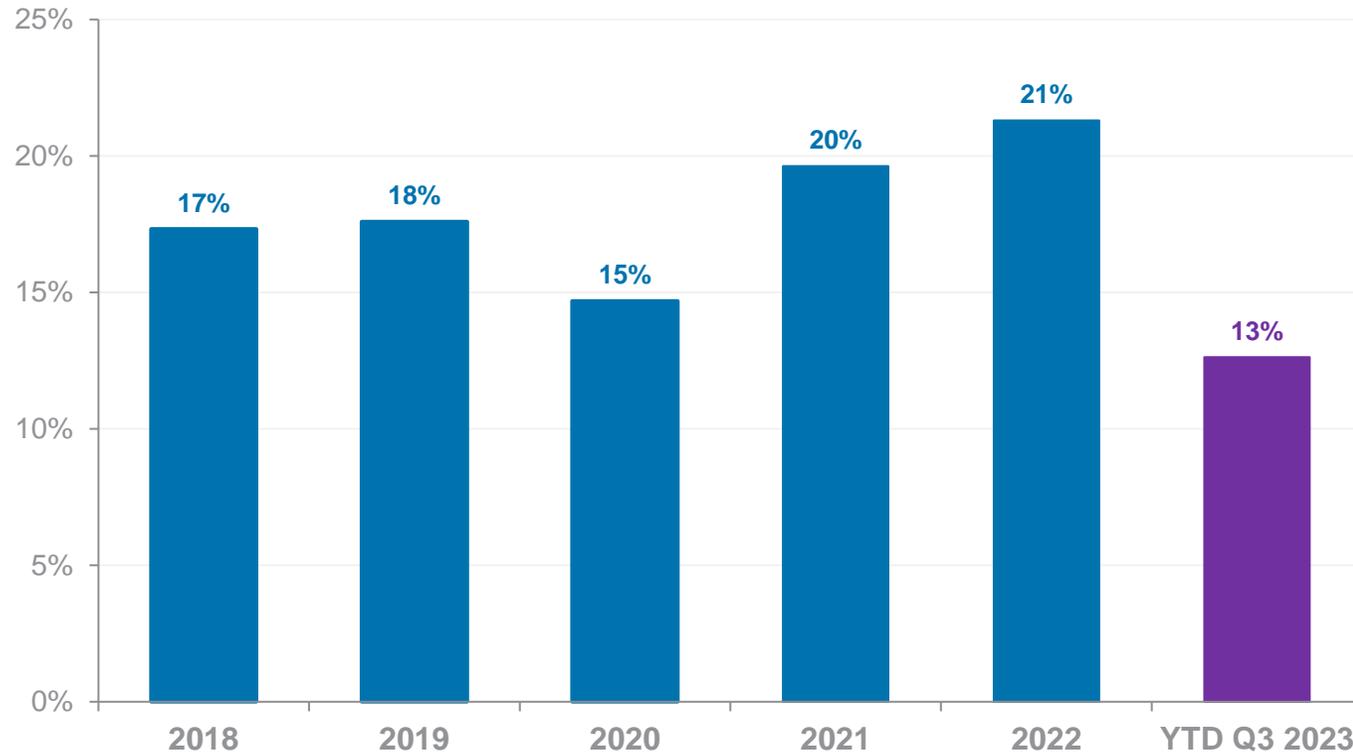
**Conversion Ratio**

|      |      |      |      |      |            |
|------|------|------|------|------|------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | Est. 2023* |
| 61%  | 64%  | 67%  | 70%  | 67%  | 59%        |

\*Estimated 2023: Revenue represents the midpoint of CRA's annual financial guidance and removes the effect of estimated constant currency adjustments. Growth in lead flow and the conversion ratio are each based on year-to-date results through Q3 2023.

# Consultant attrition in fiscal 2023 is historically low, falling below rates experienced during COVID-related lockdowns

Attrition Rates of Consultant Headcount



CRA has welcomed nearly 200 new consulting colleagues during the first three quarters of fiscal 2023.

Approximately 60% of new additions in fiscal 2023 resulted from hiring decisions made in the prior year.

Record low attrition rates and lower than expected revenue have CRA carrying some excess consulting capacity that will be largely mitigated through normal operating procedures by Q2 2024.

By the end of fiscal 2023, we forecast consultant headcount to increase by the mid- to high-single digit percentage points year over year.

Note: Attrition rates are calculated by dividing total consulting departs for the period by the period-end consultant headcount.

# 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



Auctions & Competitive Bidding



Energy



Finance



Financial Economics



Forensic Services



Intellectual Property



Labor & Employment



Life Sciences



Marakon



Risk, Investigations, & Analytics

# Competition Practice



**Margaret Sanderson**

Vice President, Practice  
Leader of Antitrust and  
Competition Economics



**Peter Boberg**

Vice President



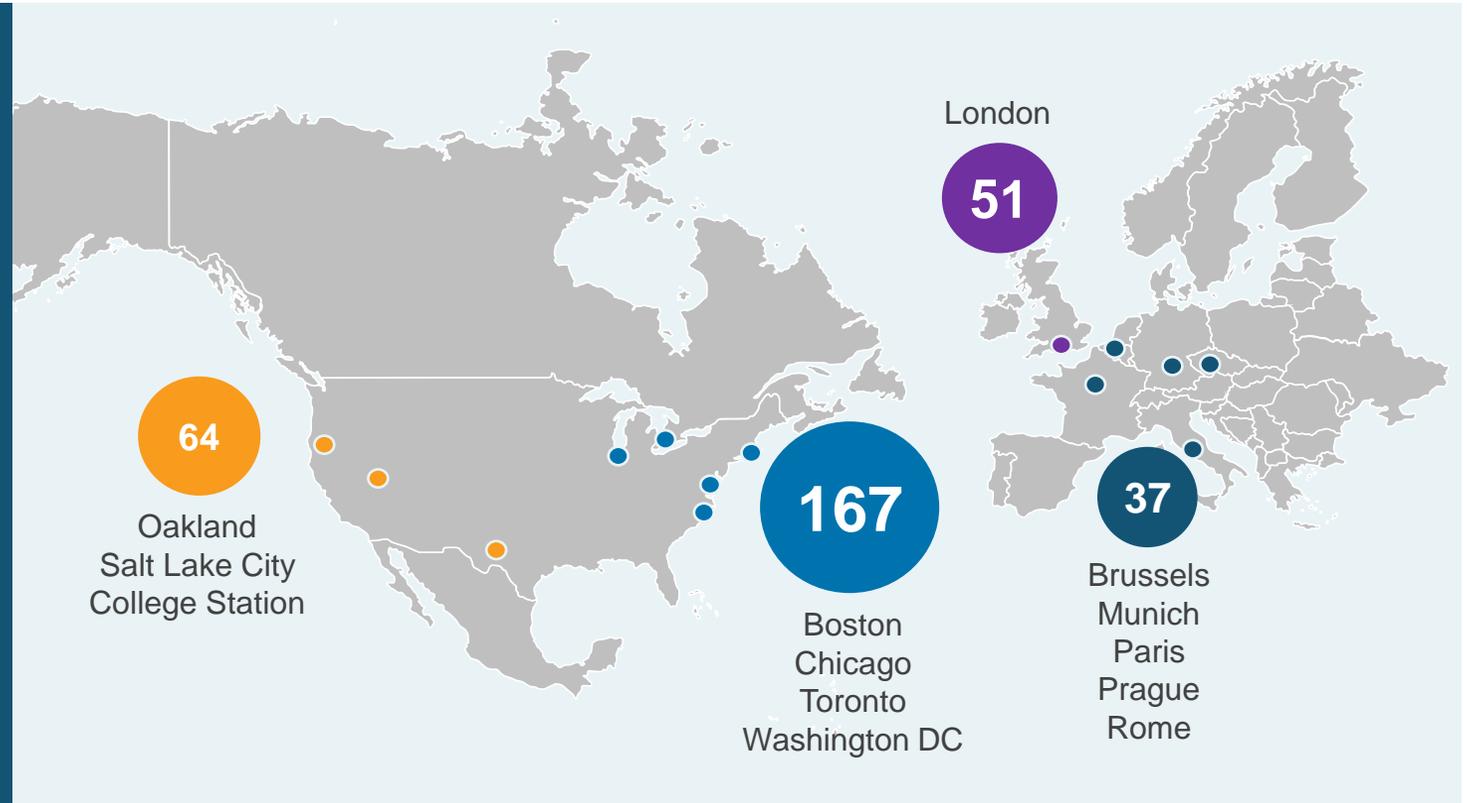
**Laila Haider**

Vice President

- Today's global expert offering
- Breakdown of cases between mergers and litigation
- Merger activity levels
  - US enforcement trends
  - US Merger Guidelines proposed amendments
  - EU and UK enforcement trends
- Litigation activity levels
- Competition practice growth through 2023
- Destination of choice for new and established experts
- Preparing for future client needs

# Today's global offering

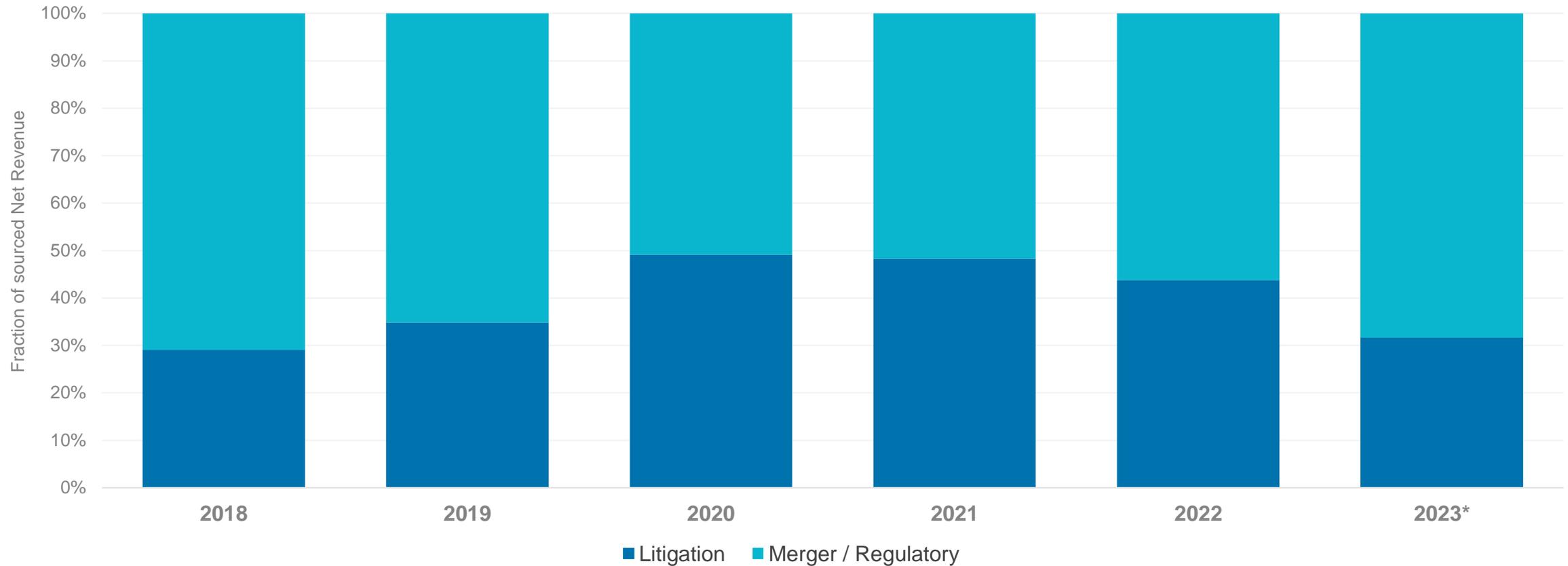
CRA's Antitrust and Competition Economics practice is a leader in providing economic analysis, advice, and testimony for antitrust and merger cases worldwide. Our work as competition experts relies on rigorous theoretical and econometric modelling to determine whether customers will likely face higher prices, fewer choices, or stifled innovation.



A team based in Oakland allows the practice to support clients in China, and academic affiliates in São Paulo expand our capabilities in Brazil.

# Our work is divided between mergers and litigation

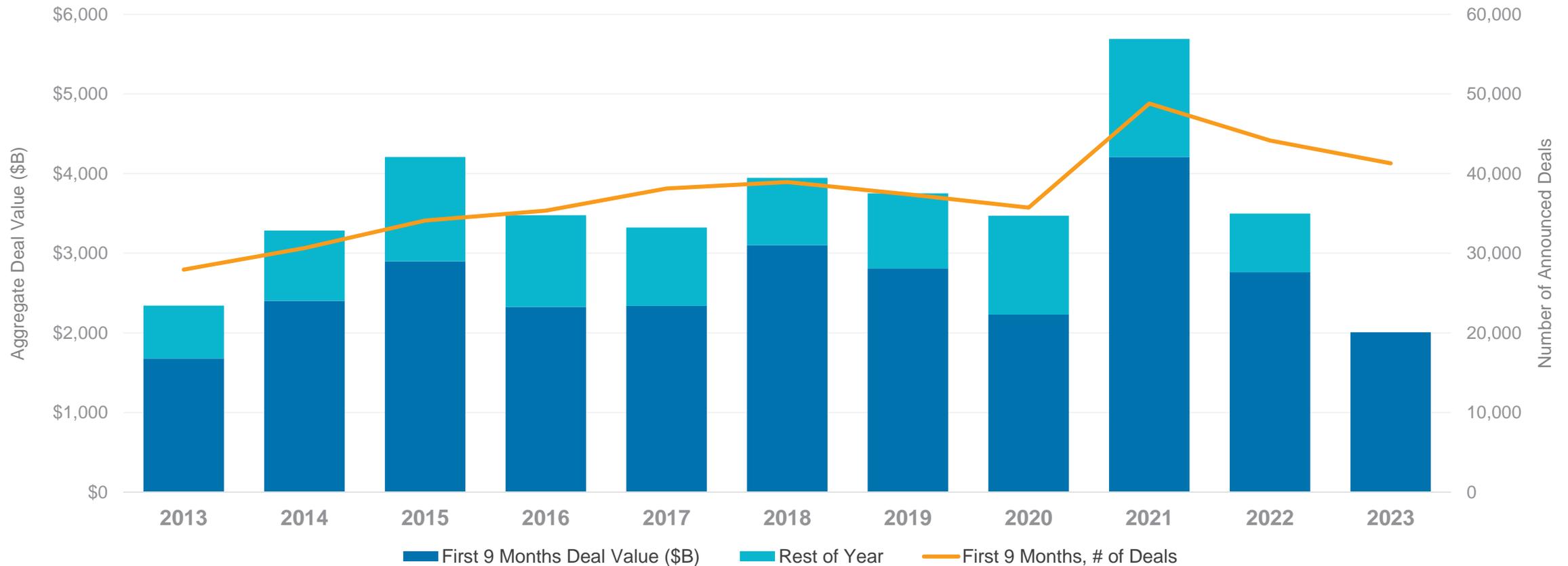
Distribution of Revenue by Project Sourcer



\* 2023 net revenue by project type estimated by assuming the year-to-date ratio through Q3.

# Merger transactions are down but enforcers are active

Global Announced Merger & Acquisitions



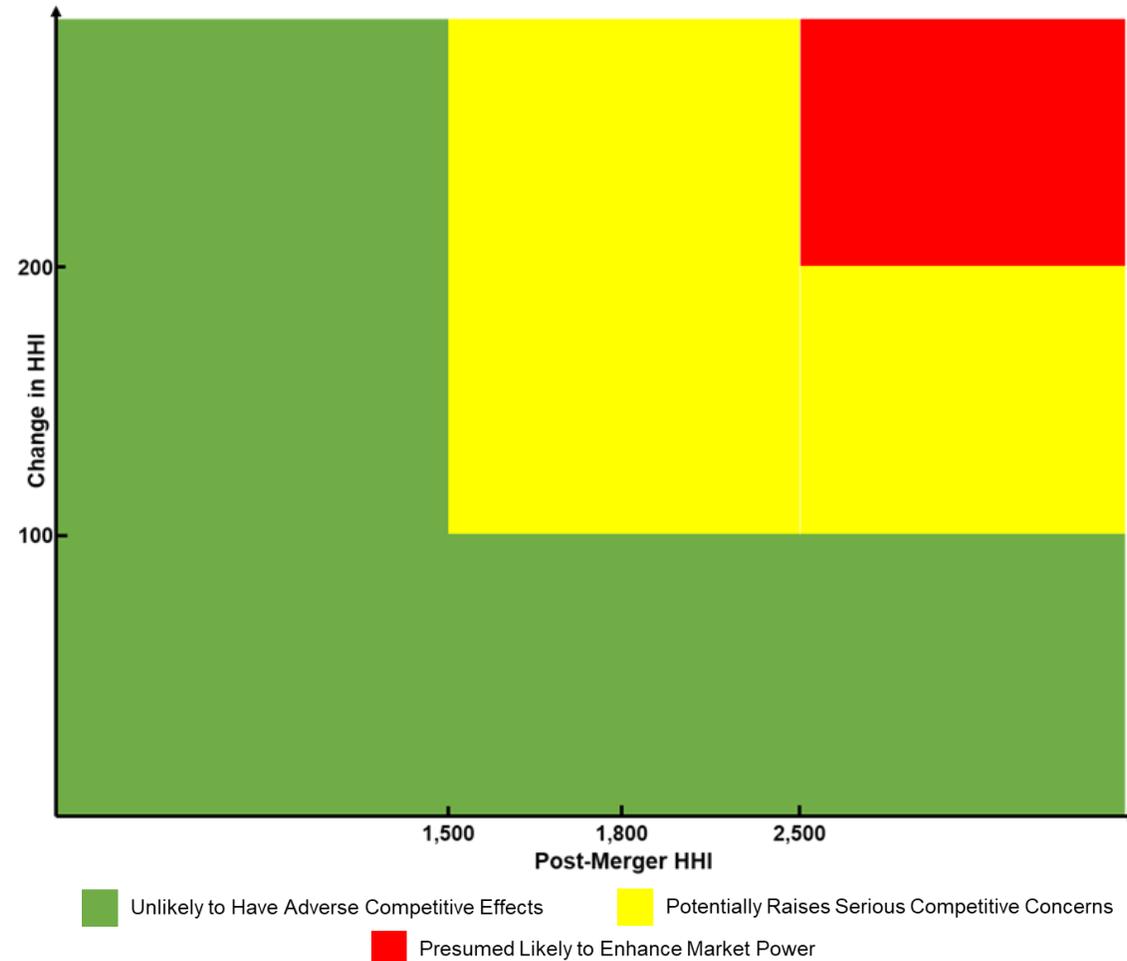
Source: Refinitiv, *Global Mergers & Acquisitions Review First Nine Months 2023*.

# 2023 DAMITT\* statistics for the United States

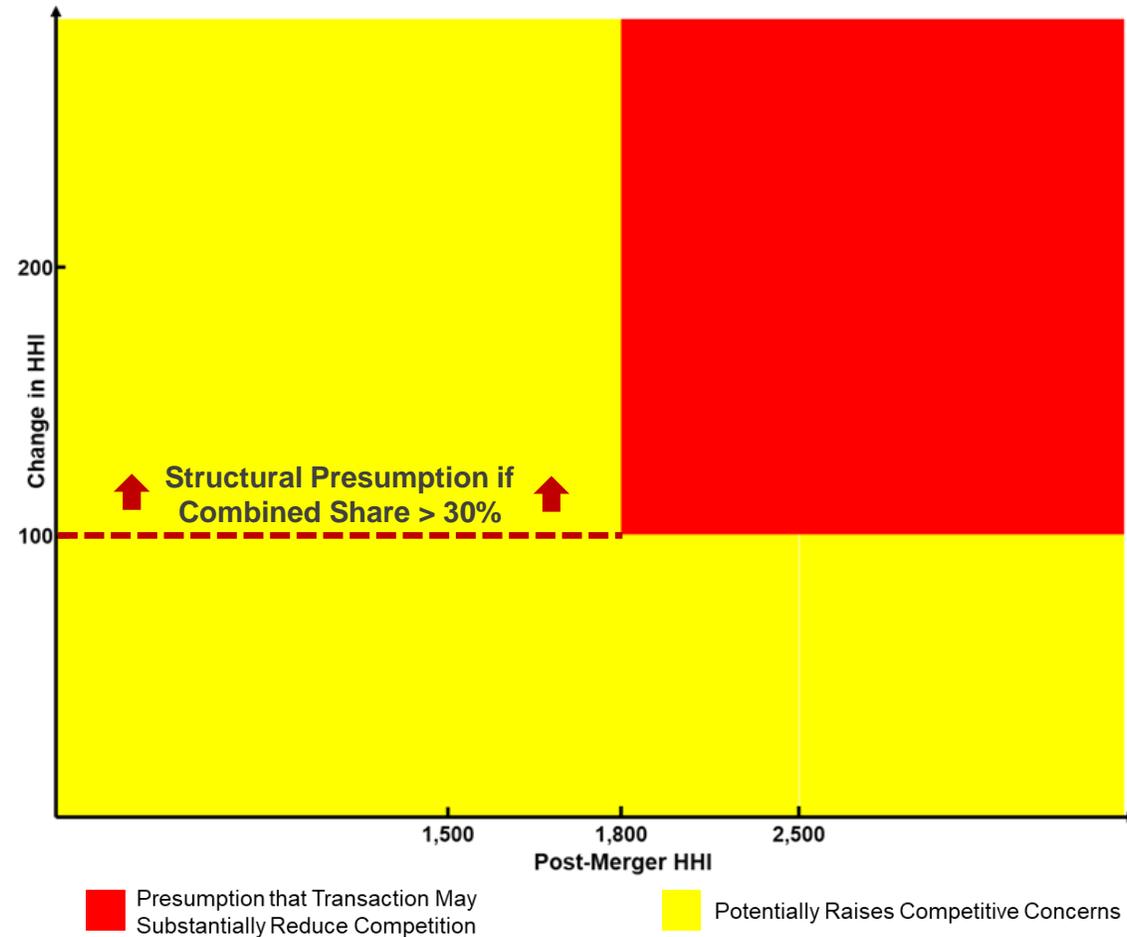
- US Agency investigations
  - Total merger investigations down but fraction challenged is up
    - From 2011-2020, the fraction of significant transactions that were litigated or abandoned rarely exceeded 30%.
    - In 2021, 37% of significant transactions were litigated or abandoned
    - In 2022, 60% of significant transactions were litigated or abandoned
      - 10 litigated, 8 consent decrees, 2 abandoned of 20 total
    - 2023Q1-Q3 has 100% of significant transactions litigated or abandoned
      - 4 litigated, 4 abandoned of 8 total
  - The average duration of significant US merger investigations that concluded in the last year was 11.3 months. The average for investigations that ended in Q3 was 15 months.
  - For litigated transactions for which a complaint was filed in 2022, the average time from complaint to trial decision was 6.9 months.
- Intervention rates are likely to remain elevated given statements by agency leadership and the proposed changes to the US Merger Guidelines.

\* Dechert Antitrust Merger Investigation Timing Tracker (DAMITT) Q3 2023, available at [dechert.com](https://www.dechert.com)

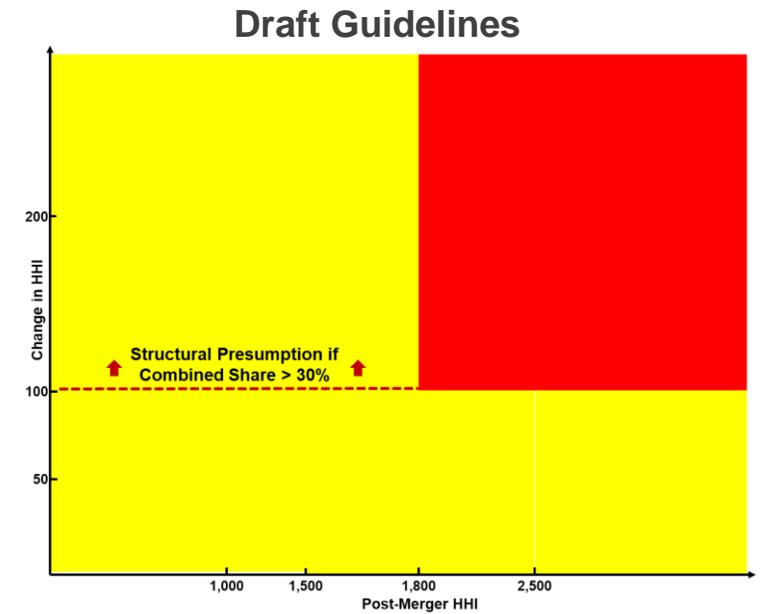
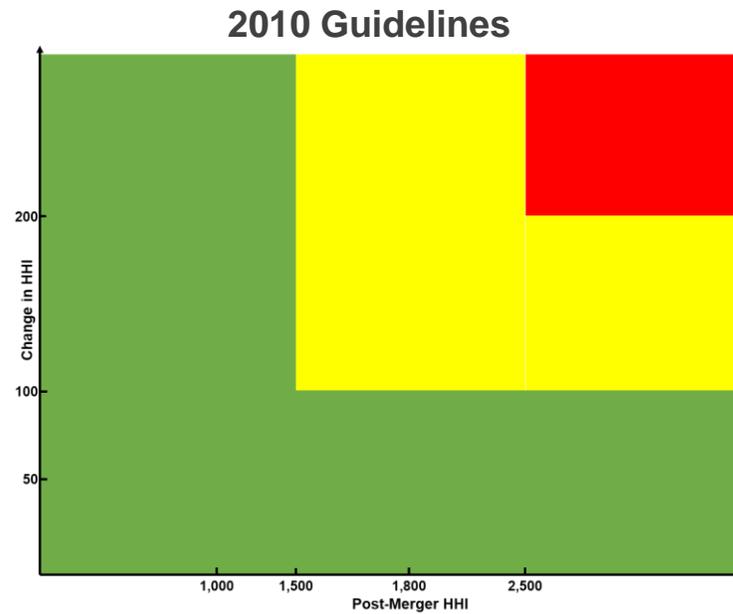
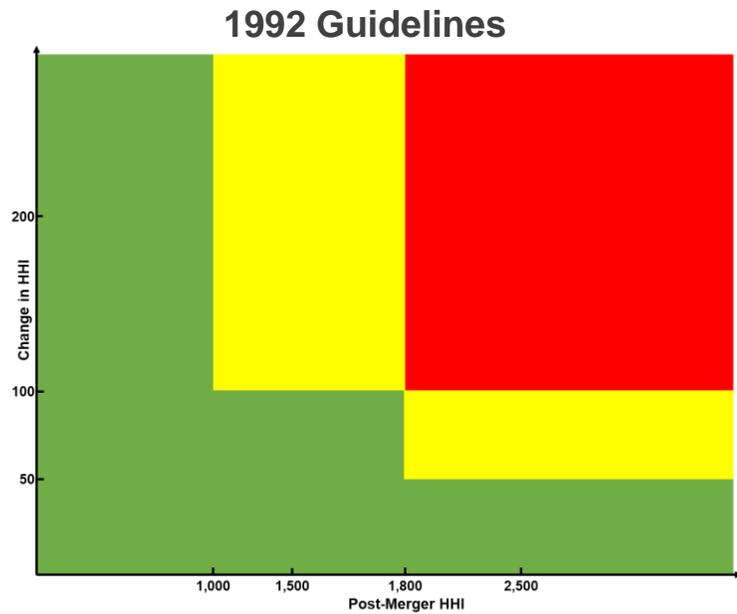
# US 2010 Horizontal Merger Guidelines provided 'safe harbor' for many mergers



# Proposed US Merger Guidelines eliminate 'safe harbor' threshold bringing more deals under agency review



# Evolution of US Merger Guideline 'safe harbor' thresholds



# Impact of US enforcement on our merger work

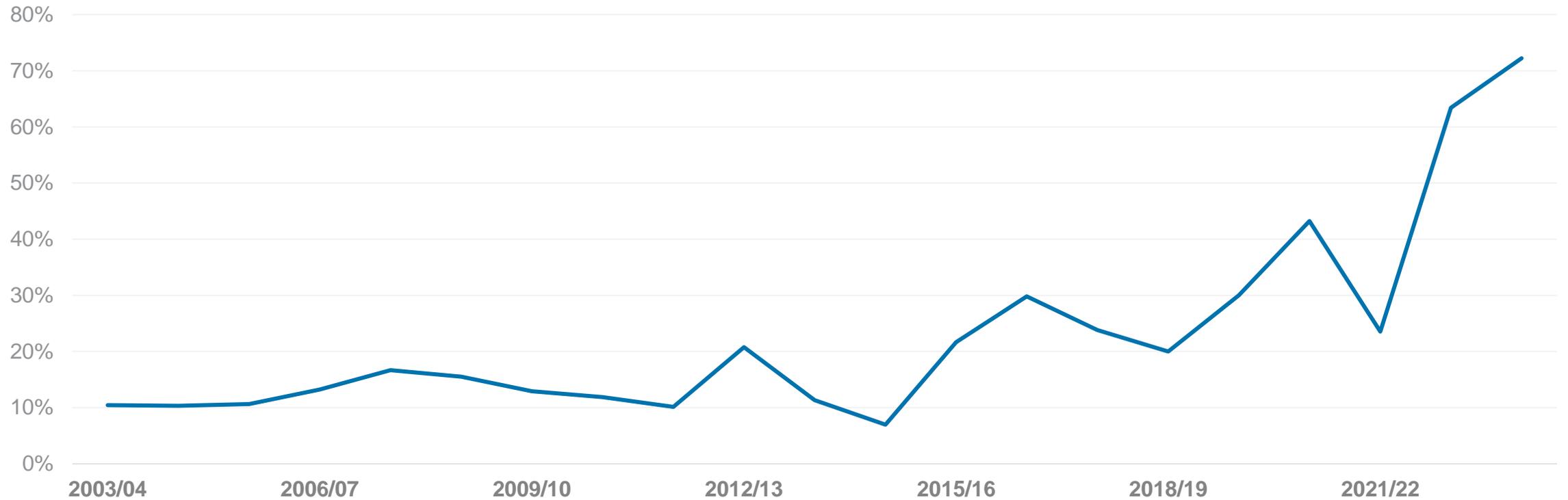
- US Agencies are:
  - Issuing more “Second Requests.”
  - Seeking more information on more issues. They are rarely narrowing the scope of their request, as was done in the past.
- Demand for assistance responding to Second Requests has increased significantly
  - We help clients with data responses + substantive analysis
  - Increasing our recruiting and training efforts to support larger number of Second Requests

# 2023 DAMITT\* Statistics - Europe

- EU merger investigations
  - Total merger investigations down with fraction of Phase I remedy cases also down
  - In 2022, there were 18 significant EU merger investigations
    - 2 prohibitions, 2 Phase II remedies, 10 Phase I remedies, 4 abandoned
  - 2023Q1-Q3 had 10 concluded transactions
    - 1 prohibition, 5 Phase II remedies, 2 Phase I remedies, 2 Phase II unconditional clearances
  - Phase II investigations now lasting at least 18 months from announcement to clearance

\* Dechert Antitrust Merger Investigation Timing Tracker (DAMITT) Q3 2023, available at [dechert.com](https://www.dechert.com)

# UK merger “intervention rate” over time



# Antitrust litigation in the US

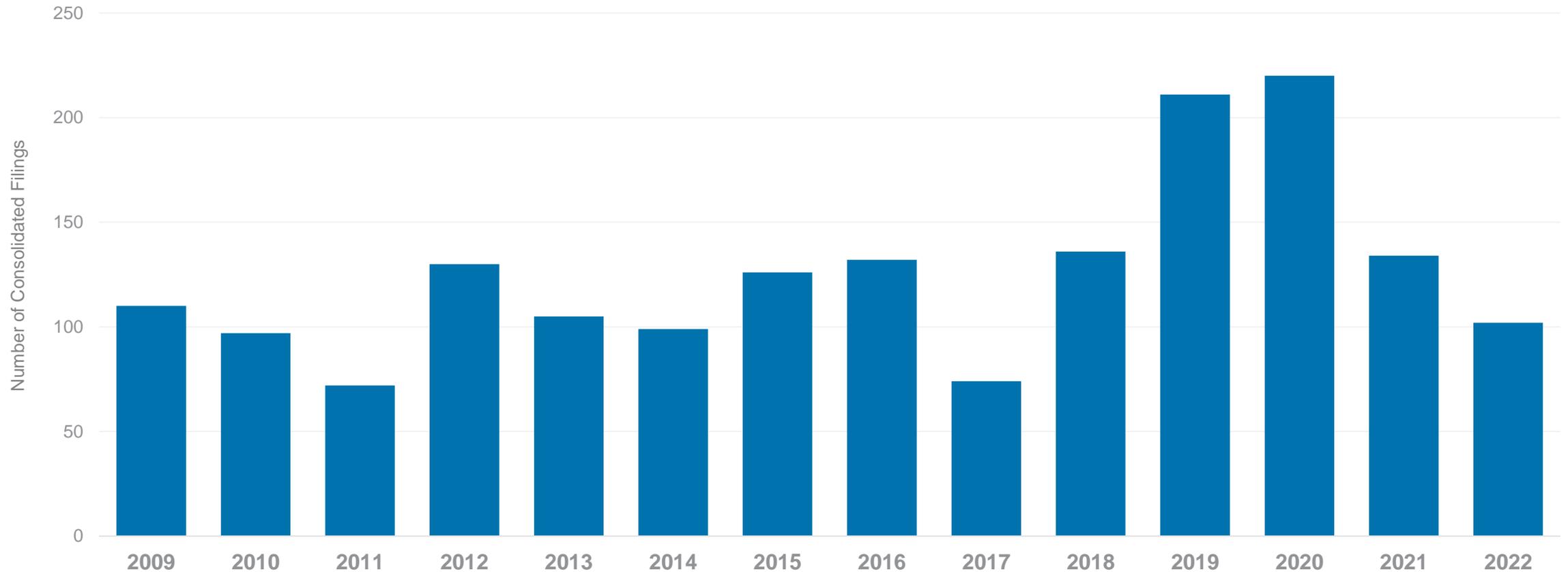
- CRA experts are retained to testify about economic issues in litigation matters involving alleged anticompetitive conduct.
  - Economic analysis and testimony are a regular feature in antitrust litigation and often lie at the heart of the proceeding
- We provide economic testimony on all claims of anticompetitive conduct (e.g., price fixing, exclusionary conduct, attempts to monopolize a market, etc.)
- Economic experts are hired for all stages in antitrust class action cases: class certification, liability / merits, and damages
- CRA has a deep bench of experts with extensive experience testifying in these different stages

# Antitrust class action litigation in the United States

- Number of federal consolidated antitrust class actions has varied widely in the last 14 years
  - A dramatic increase in filings in 2019 and 2020 compared to earlier and later years.
  - Total cases filed in 2022 was below the average number of filings over the 14-year period.
- Total settlement amounts in antitrust class action cases are substantial
  - Total of \$2.9 billion in 2022
- These are long cases – over the last 14 years, the time from filing to approved settlement is about 5 years
  - The length of time has increased from 4.5 years in 2009 to 6 years in 2022
- We expect sustained levels of antitrust litigation owing to active enforcement by the US government and private parties, increased scrutiny of some industries, and more investigations of particular conduct

# Annual variation in antitrust class action filings

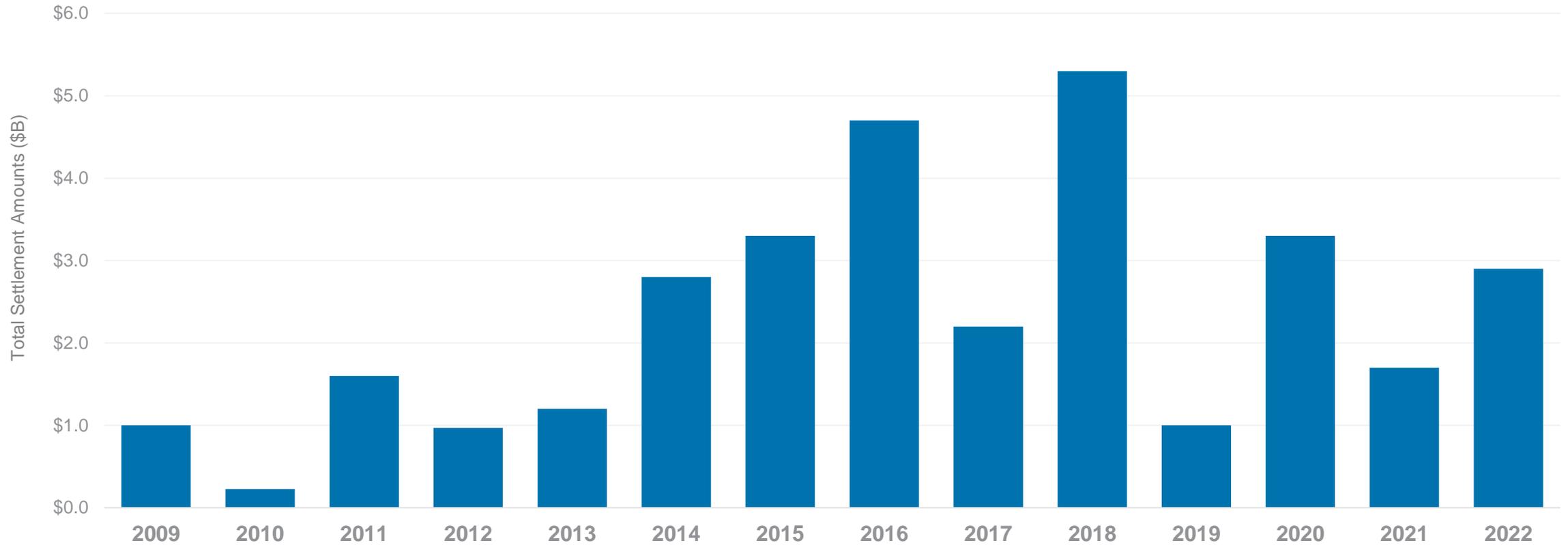
Federal Consolidated Antitrust Class Action Filings by Year



Source: 2022 Antitrust Annual Report: Class Actions in Federal Court

# Annual variation in antitrust class settlement amounts

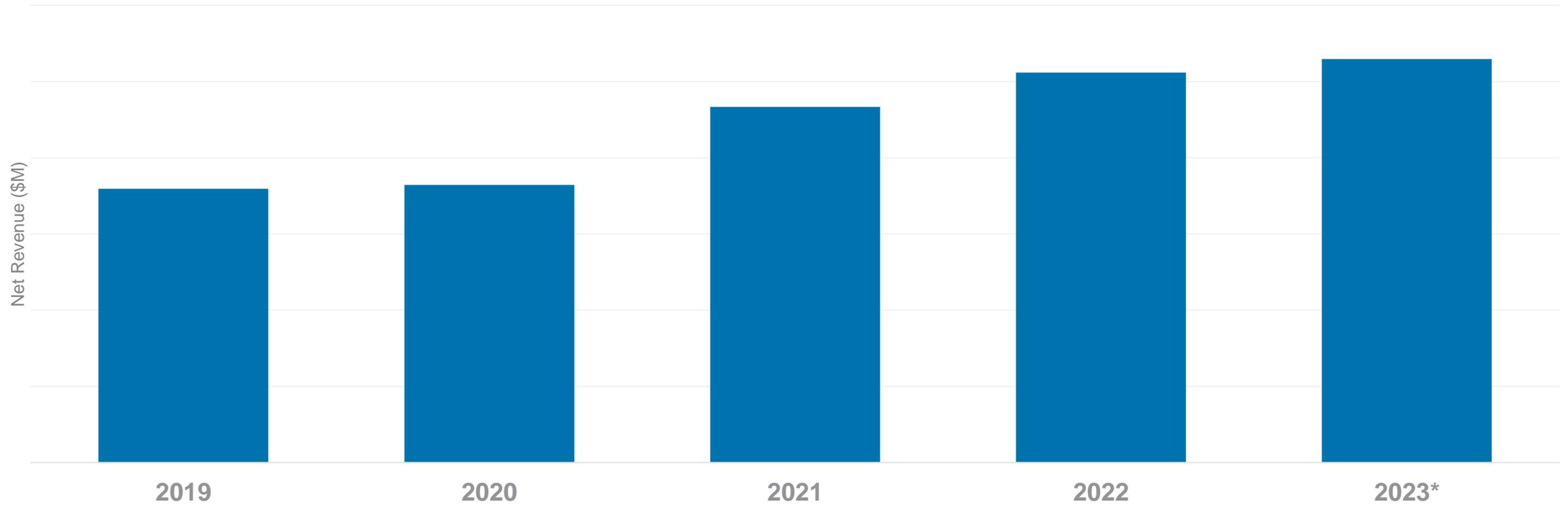
Settlement Amount by Year  
Settlements Total \$32.2B from 2009-2022



Source: 2022 Antitrust Annual Report: Class Actions in Federal Court

# Practice revenue growth has been solid throughout changing market landscape

Competition Practice Net Revenue, 2019-2023



\* 2023 net revenue estimated by annualizing YTD Q3 practice net revenue.

# Effective delivery to clients requires ability to rapidly scale teams to support experts

- We are hired for the largest, more complex, cases because of our scale and skill set
- Complex cases require large distributed teams
  - CRA team of 44 economists worked on a merger across multiple jurisdictions: United States, Europe, UK, China, and Korea
  - CRA team of 29 economists supported a US client in a US merger case
  - Over 25 economists supported economic analysis and associated expert testimony on behalf of multiple clients involved in a class action matter
- Very large projects are becoming more common, more complex, or both
  - In 2023 single largest project > \$18MM vs largest project size of \$6MM in 2019-2021
  - In 2023, 25% of our projects were > \$5MM vs 14% in 2022

# Our staff helps us recruit experts and expand their business

- Since 2019, we have recruited 10 vice presidents to Competition from rival consultancies
- Our “why join CRA” is built around our staff
  - We have the staff needed to respond to small and large client projects
  - We have staff technical expertise that smaller consultancies do not have
  - We can help experts grow through referrals and providing capacity to respond to client requests

# We continue to invest in the people and resources necessary to serve our clients

- The increase in data created and collected by our ultimate clients has changed the scale of computational resources required to store and conduct economic analyses
  - CRA has and will continue to invest in the expertise and partnerships necessary to work with cloud-scale data using cloud-first analytical tools
- CRA and the Competition Practice continue to affiliate with leading academics to ensure we can address questions arising from new technologies and industries
  - Prof. Joshua Gans, University of Toronto, is an expert on Artificial Intelligence and cryptocurrencies
  - Prof. Maxime Cohen, McGill University, is an expert on Artificial Intelligence
  - Prof. Leonardo Bursztyn, University of Chicago, is an expert on technology and social media

# Break

# Forensic Services Practice



**Kristofer Swanson**  
Vice President and  
Practice Leader,  
Forensic Services



**Daniel Roffman**  
Vice President

# Forensic Services Practice

## Growing Rapidly... and Just Getting Started!

# Forensic Services Practice Overview

CRA's Forensic Services Practice helps companies respond to allegations of fraud, cybercrime, misconduct and non-compliance – often in moments of crisis. We deliver deep and timely insights by deploying cross-trained teams of experienced forensic professionals. Areas of particular expertise include:



Internal Investigations (e.g., fraud, financial reporting irregularities, bribery and corruption)



Cyber incident response engagements



Theft of trade secret investigations

Supported by a nimble, scalable e-Discovery technology stack.

Our clients include the C-suite and boards of directors.

# Looking backward

Currently: 122 colleagues, based primarily in Boston, NY, DC, Chicago, and Dallas, plus subcontractors and forensic technology factor inputs, and ability to seamlessly leverage staff from other practices when needed

**27%**

CAGR – Net Revenue  
2016 to Present

**84%**

Headcount Growth  
Since January 2020

**85%**

Average Utilization  
January 2020 to Present

Highlights

# Exemplar Accolades for Practice and Colleagues: A Testament to Excellence

## Practice

*National Law Journal*: top three Forensic Accounting Providers in America

*Global Investigations Review*: top 10 investigative consultancies from around the world

*Chambers*: received rankings in its “Litigation Support” and “Crisis & Risk Management” guides

*CrowdStrike*: 2023 Americas Engagement Licensing Program Partner of the Year

*Tanium*: 2023 Information Security Innovation Partner of the Year

THE  
NATIONAL LAW JOURNAL

 **GIR** Global  
Investigations  
Review

 **CROWDSTRIKE**

 **TANIUM**

## Colleagues

*Who's Who Legal*:

- Thought Leaders
- Global Leaders
- Forensic Accounting Experts
- Digital Forensic Experts

*The Consulting Report's* Top Cybersecurity Consultants of 2023



**CRA** Charles River  
Associates

# Robust Client Roster, including:



# Growing my professional career: Dan Roffman



## Background

- Joined CRA in May 2021
- Testifying expert in digital forensics

## Growth at CRA

- Was a top producer at prior firm...
- But doubled the size of my practice since joining CRA (just over two years ago)

## Impact

- Larger, higher profile cases
- Increased role as a strategic advisor to clients

# Growing my professional career: Dan Roffman (continued)

## How CRA has helped me accelerate my growth and impact:

### ▶ Investing in my continued leadership development and integration through:

- Immediate and ongoing executive coaching
- Significant training/certification support for me and staff
- Regular cross-practice, cross-office business development events (e.g., private viewing & cocktails for key clients earlier this month of the *Manet/Degas* exhibit at the Met), annual meeting of all VP's across the entire firm, etc.

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### ▶ Encouraged/supported to be highly active in the market. For example:

- Sophisticated Continuing Legal Education programs for clients/targets

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### ▶ Integrated practice offerings allow me to go where the client needs take me. For example:

- Digital forensics
- eDiscovery

# Market Is Huge

The markets for each of our core competency pillars are huge... and projected to grow substantially:



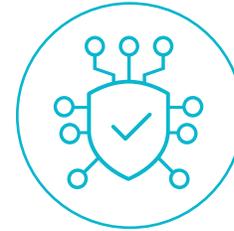
## Forensic Accounting Services

\$5.13 billion market size in 2022, projected to increase to \$11.68 billion by 2031 (8.8% CAGR) [Allied Market Research]



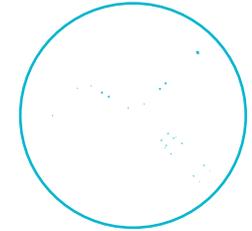
## Cyber

\$18.67 billion market size in 2021, projected to increase to \$37.25 billion by 2031 (7.2% CAGR) [Analytics Market Research]



## Digital Forensic Services

\$6.1 billion market size in 2022, projected to increase to \$15.9 billion by 2032 (10.2% CAGR) [Acumen Research]

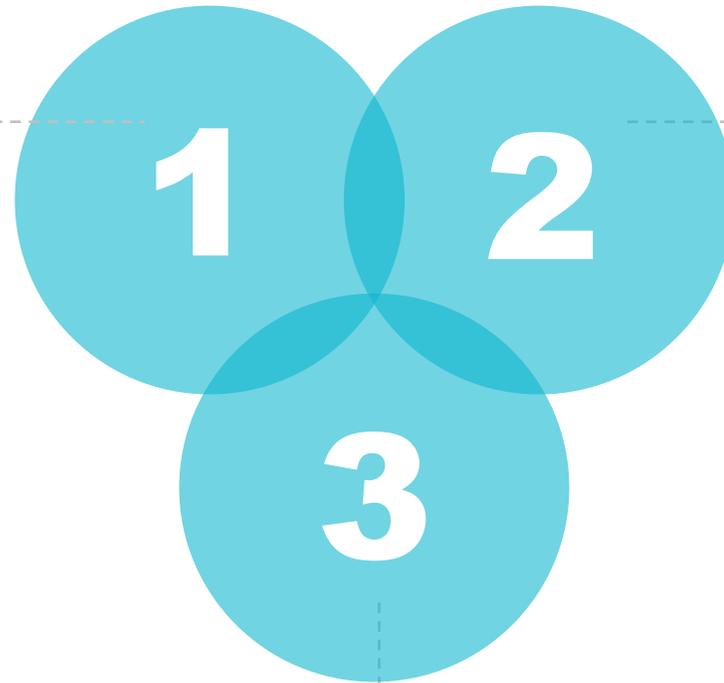


## eDiscovery

\$14.1 billion market size in 2022, projected to increase to \$32.5 billion by 2030 (11.2% CAGR) [Fortune Business Insights]

# Key Drivers of Increasing Demand: A Trifecta

Increasing sophistication and activity levels of cyber threat actors



Fears of recession and economic headwinds expected to exacerbate broad range of misconduct from employees/vendors/customers/business partners (trade secret theft, accounting irregularities, etc.)

Ever-heightening expectations and enforcement momentum by regulators.

# Drivers of Increasing Demand

## 1

Increasing sophistication, creativity and threat activity levels of cyber threat actors and other wrongdoers

*Recent headlines:*

- **“Ransomware Comes Back in Vogue for Cybercriminals: Insurers say ransom-related claims rose sharply in the first half of 2023,”** Oct. 17, 2023, WSJ PRO (<https://www.wsj.com/articles/ransomware-comes-back-in-vogue-for-cybercriminals-5f09091>)
- **“Thousands of remote IT workers sent wages to North Korea to help fund weapons program, FBI says,”** October 19, 2023, AP News (<https://apnews.com/article/north-korea-weapons-program-it-workers-f3df7c120522b0581db5c0b9682ebc9b>)

# Drivers of Increasing Demand (continued)

## 2

Continued fears of recession and economic headwinds expected to exacerbate broad range of misconduct (trade secret theft, financial reporting, etc.), enabled by continued remote work and BYOD trends

- **“Fired Root CMO Accused of Stealing Millions Spends ‘Lavishly’; Judge Appoints Receiver,”** **Insurance Journal, May 26, 2023** ([Fired Root CMO Accused of Stealing Millions Spends ‘Lavishly’; Judge Appoints Receiver \(insurancejournal.com\)](#))
- *Whistleblowers Reporting Misconduct*
  - *May 5, 2023* — “The Securities and Exchange Commission today announced the largest-ever award, nearly \$279 million, to a whistleblower whose information and assistance led to the successful enforcement of SEC and related actions.” ([SEC.gov | SEC Issues Largest-Ever Whistleblower Award](#))

# Drivers of Increasing Demand (continued)

## 3

Unprecedented expectations by regulators. For example:

- *M&A: DOJ publishes M&A safe harbor for discovering non-compliance within 6 months of acquisition, self-reporting within 12* (<https://www.justice.gov/opa/speech/deputy-attorney-general-lisa-o-monaco-announces-new-safe-harbor-policy-voluntary-self>)
- *Digital Forensics: DOJ broadens **evaluation procedures for corporate compliance programs in criminal investigations to include the monitoring of off-channel communications by employees**, March 2023*  
<https://www.justice.gov/opa/speech/file/1571911/download>
- *Cyber:*
  - *DOJ sues former CISO for covering up data breach (convicted)* [[Northern District of California | Former Chief Security Officer Of Uber Convicted Of Federal Charges For Covering Up Data Breach Involving Millions Of Uber User Records | United States Department of Justice](#)]
  - *SEC sues CISO for not preventing a data breach, alleging fraud and internal control failures* [<https://www.sec.gov/news/press-release/2023-227>]
  - *SEC adopts 4-day rule for cybersecurity breach disclosure* [[SEC.gov | SEC Adopts Rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies](#)]

# Looking Forward: Investment Focus

Our growth and success rely upon our continued investment in key areas:

## ▶ **Strategic Talent Acquisition and Active Integration**

- Recruit current and potential “rainmakers” who have the capacity to continue to grow - focusing on our major office geographies, then continuing to build out the leverage model

## ▶ **Cultivation of Internal Expertise**

- Invest in the development of our senior staff, fostering organic growth and leadership

## ▶ **Cutting-Edge Technology**

- Continue to make investments in state-of-the-art technology solutions.
- Maintain Practice-wide certification under International Organization for Standardization (ISO) 27001:2013 requirements as part of our industry-leading commitment to our clients and their information security.

## ▶ **Strategic Business Development Activities**

- Invest in sophisticated, targeted business development initiatives to expand our reach and influence

## ▶ **Collaboration for Excellence**

- Enduring commitment to inter- and intra-practice collaboration, staffing, and referrals to ensure that we deliver the full power of the Firm to our clients

# Life Sciences Practice



**Gregory K. Bell**  
Group Vice President  
and Life Sciences  
Practice Leader



**Angela De Martini**  
Vice President and  
Strategy Sector Co-Lead

# Scientific innovation continues to drive commercial innovation and consulting opportunities

## Issues in Life Science

### Technology platforms

- mRNA, RNAi, rAAV GTx

### Product as a portfolio

- TNF, PD-1, GLP-1

### Collaborations

- Gene therapy and viral vectors

### Combinations

- Immuno-oncology

### Personalization

- Biomarkers
- Consumerization

### Access & Policy

- Big, social issues - Alzheimer's disease
- Health equity

### Global reach

# Our practice today consists of 3 sectors: strategy, policy and litigation, each supporting a range of clients operating in the life science space

## Strategy (~70-80% of practice)

Helping clients understand their markets and optimize brand and portfolio performance

## Global Policy (~5-10% of practice)

Helping clients understand the evolving policy environment, set policy agendas, and shape the public discourse

## Litigation (~15-20% of practice)

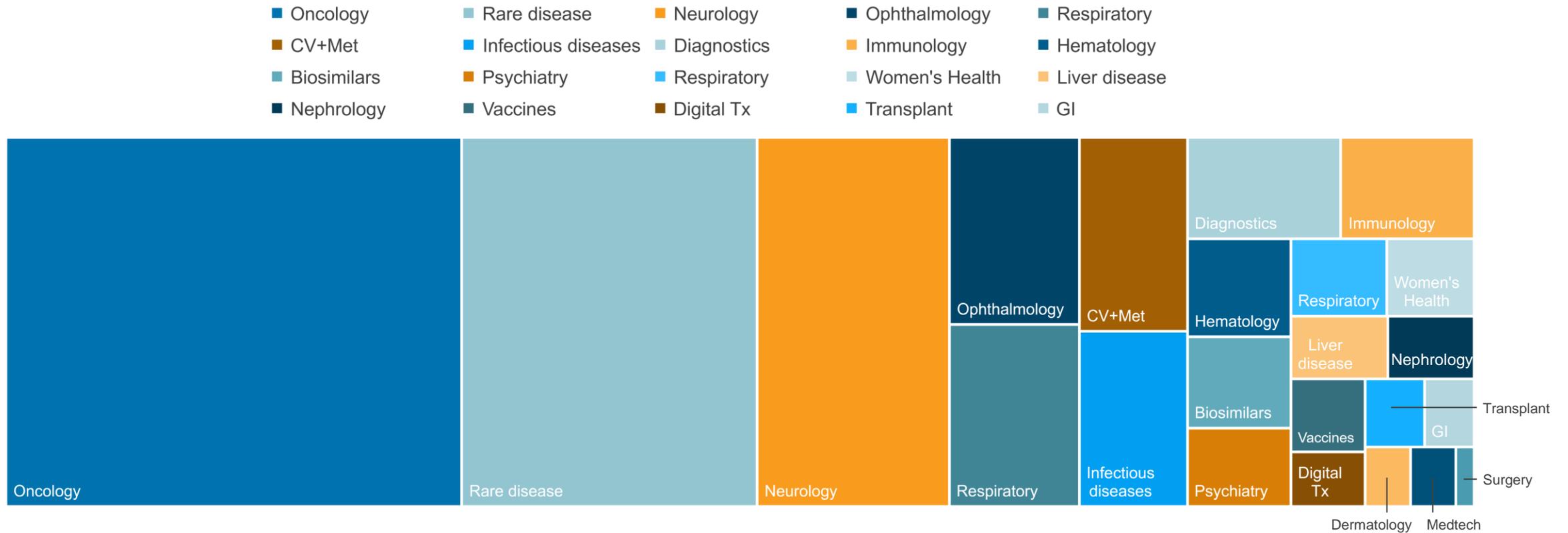
Providing expert analysis and testimony in a variety of litigation matters for Life Sciences companies



**Our competitive advantage is the breadth of our expertise, which allows us to win complex, multi-faceted projects**

# Engaged in industry growth areas and equipped with broad capabilities, our business mirrors overall industry trends

## CRA Life Science business by therapy area



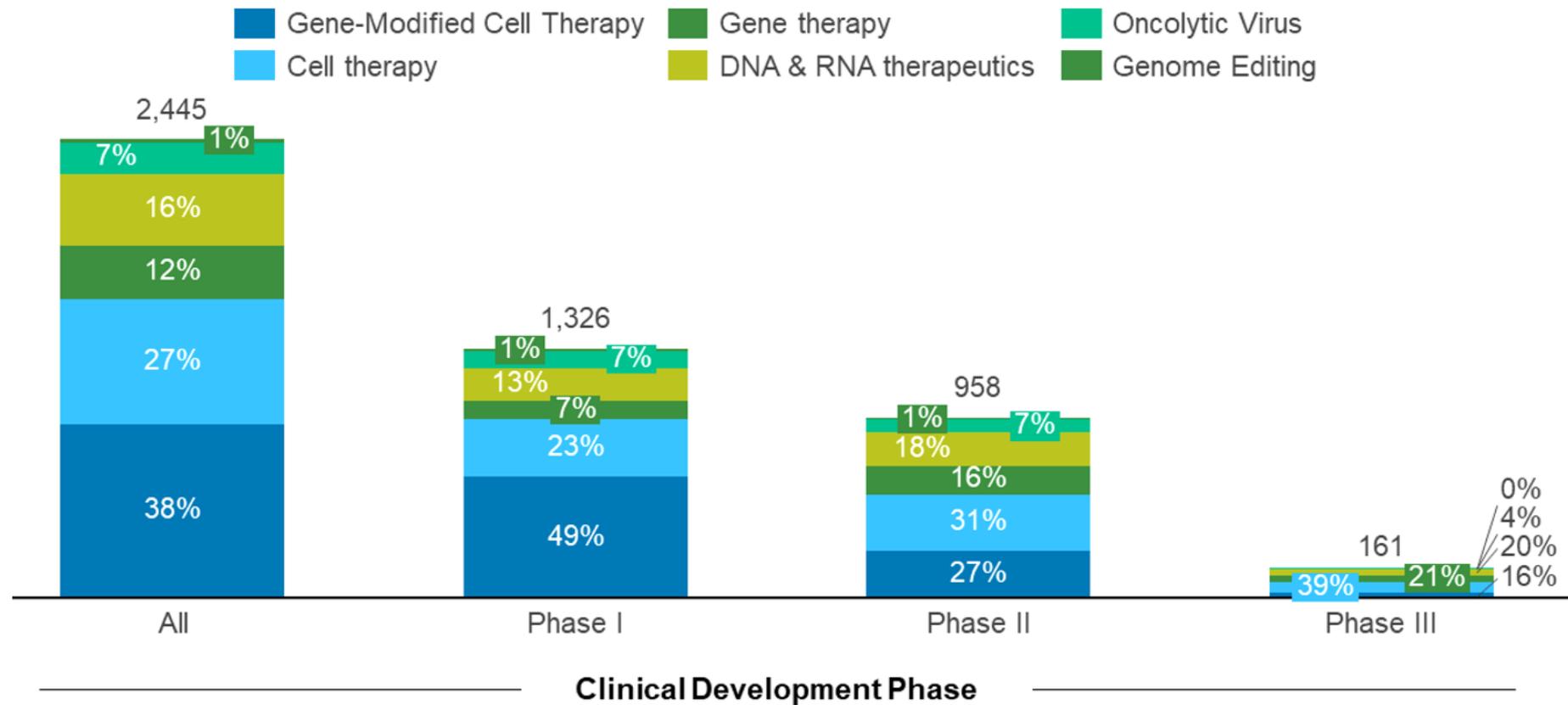
# As scientific breakthroughs unfold, the landscape of business questions we are asked to answer is also evolving



# There are currently ~2,500 ongoing clinical trials for therapies utilizing advanced modalities, each with unique challenges in commercialization

## Number of New Molecular Entities in Clinical Development with Advanced Modalities

(Data as of September 2023)



# CRA wins in the market based on sector expertise, cross-functional teaming, and ability to support global clients

## Deep knowledge of the market context in which our clients need to operate

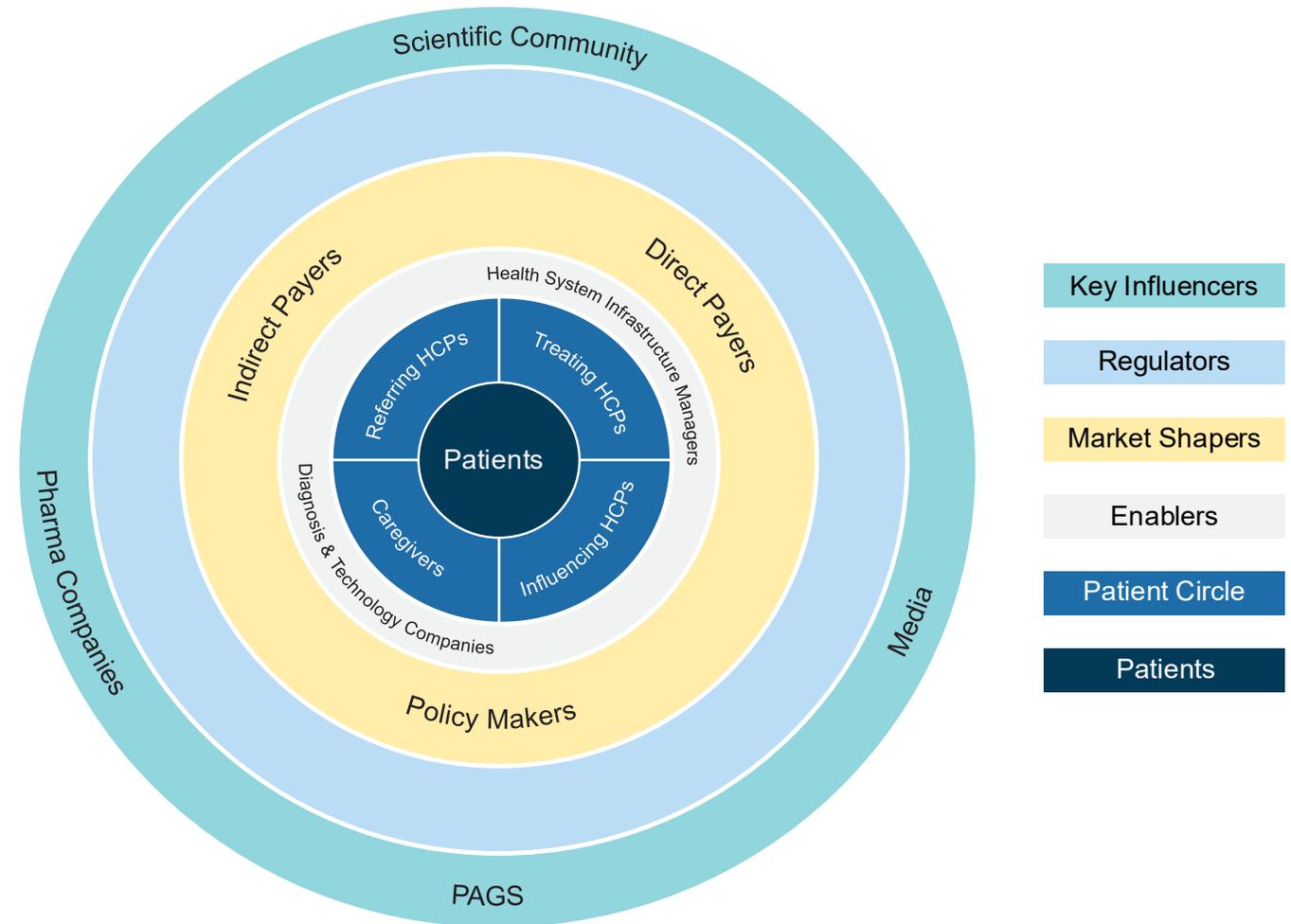
Our strategies are optimized for local market structures and conditions

## Understanding stakeholders in the healthcare space and their ecosystem

Our strategic recommendations are grounded in underlying behavior and decision drivers

## Research and analysis efforts are supported by Centers of Excellence in advanced analytics and market research

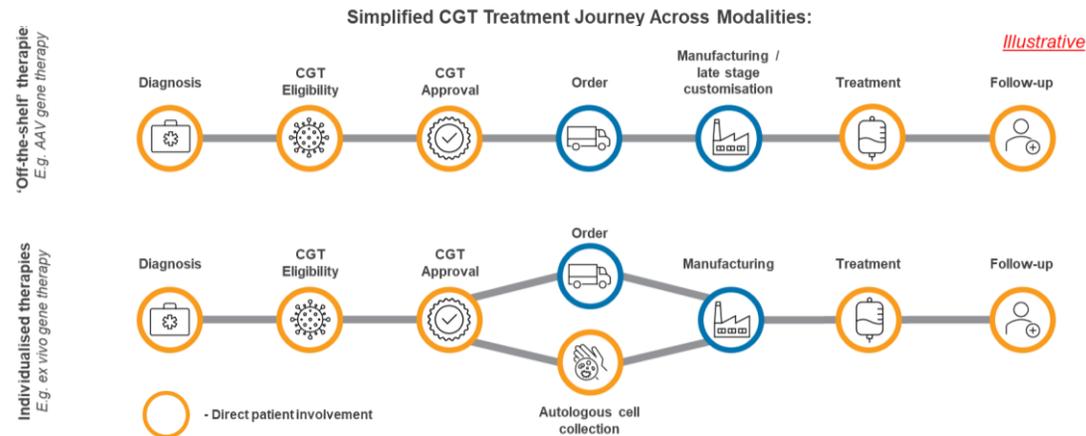
Our recommendations are supported by robust data and insights



# Strong cross functional expertise is necessary to support clients launching advanced therapies

## Case study (2020-2023)

### Client situation



- Our client is developing a gene therapy for the treatment of children affected by a rare neuromuscular disease
- The program is in late-stage clinical development and the global client team is conducting a number of activities to support launch preparations
- This is the first gene therapy our client is launching and only a handful of commercial examples exist to learn from

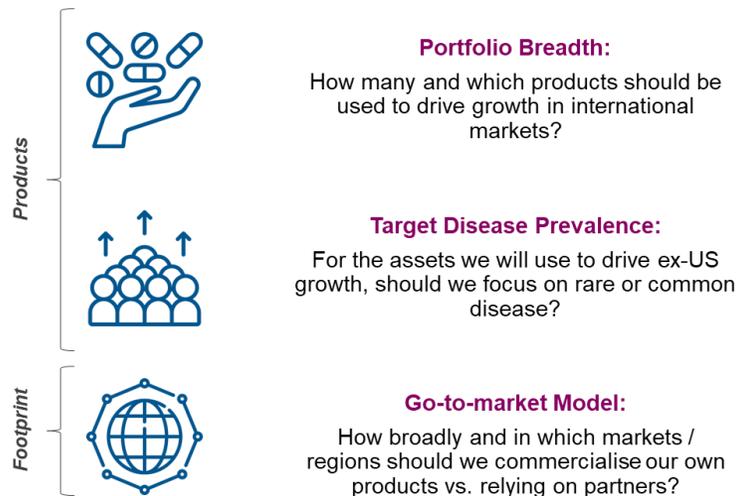
### CRA engagement

- ✓ 2020 – CRA supported the **global marketing** in informing the product's positioning
- ✓ 2020/2021 – CRA worked with the **global market access and pricing** to design potential innovative access and payment solutions
- ✓ 2021 – CRA worked with a **cross-functional team** to determine treatment center requirements for successful delivery of the gene therapy
- ✓ 2022/2023 – CRA supported **global medical and marketing** to prepare unbranded and branded campaigns
- ✓ 2023 – CRA was hired by **business insights** to uncover early patient and physician experiences with the gene therapy during clinical trials
- ✓ 2023 – CRA was engaged by **medical and safety** to develop specific documentation required for EMA regulatory submission

# Understanding local healthcare ecosystems and market dynamics is necessary to support client international growth

## Case study (2021 and 2023)

### Client situation



- Relative to the overall market, our client revenue is concentrated in the US
- The client organization has invested in identifying growth opportunities that would support international growth as well as external benchmarks to guide its growth ambitions and be able to measure success

### CRA engagement

CRA was engaged by the international leadership team to assist in devising strategies to support growth outside the United States:

#### In 2021:

- ✓ Understanding of strategic options and best practices for growth to act as high-level guidance for business development efforts
- ✓ Developed “Short list” of priority indications with high-potential to drive global revenue
- ✓ Provided understanding of risks and requirements for success in pricing and market access across US and international markets

#### In 2023:

- ✓ Identified and analyzed analogues and developed growth archetypes
- ✓ Selected growth metrics to define company ambitions for international growth

# Our global policy team helps clients understand the evolving policy environment, set agendas, and shape the public discourse

## Response

- Analysing global, regional, and national policy challenges



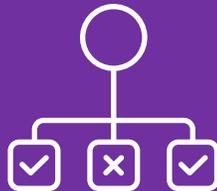
## Market Shaping

- Building stakeholder engagement
- Supporting commercial priorities



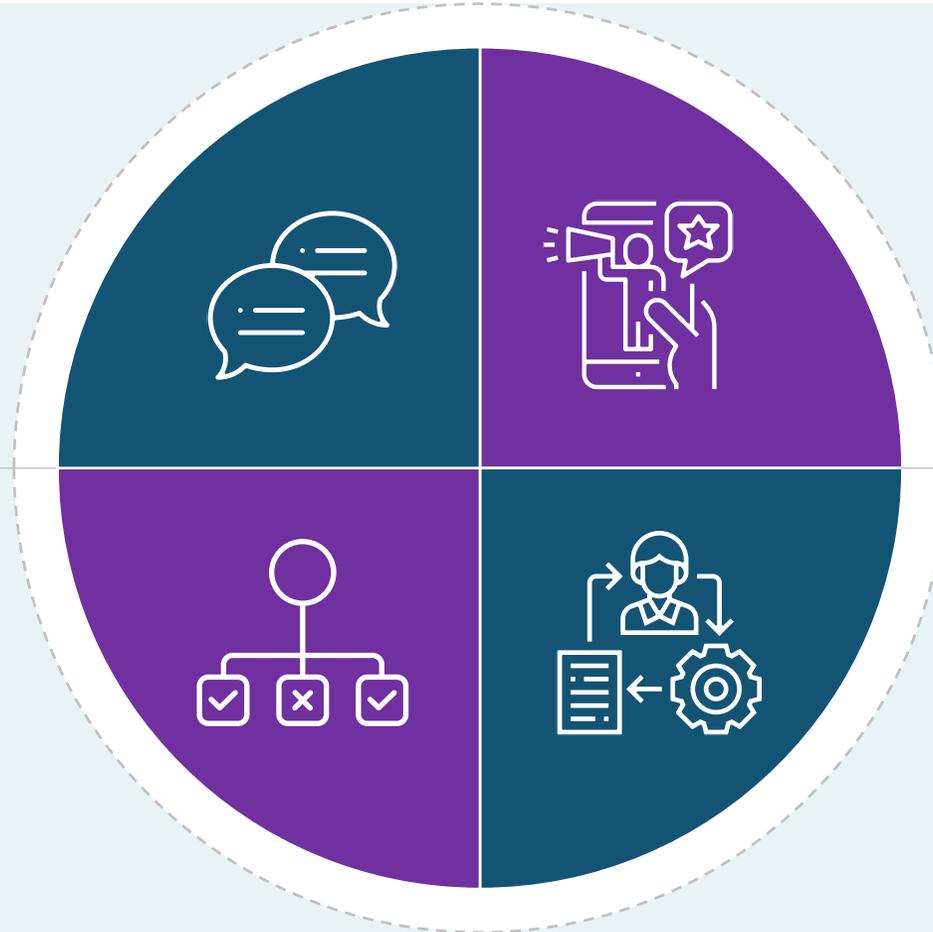
## Anticipation

- Assessing the business impact of proposed policy changes



## Internal Alignment

- Managing global policy processes



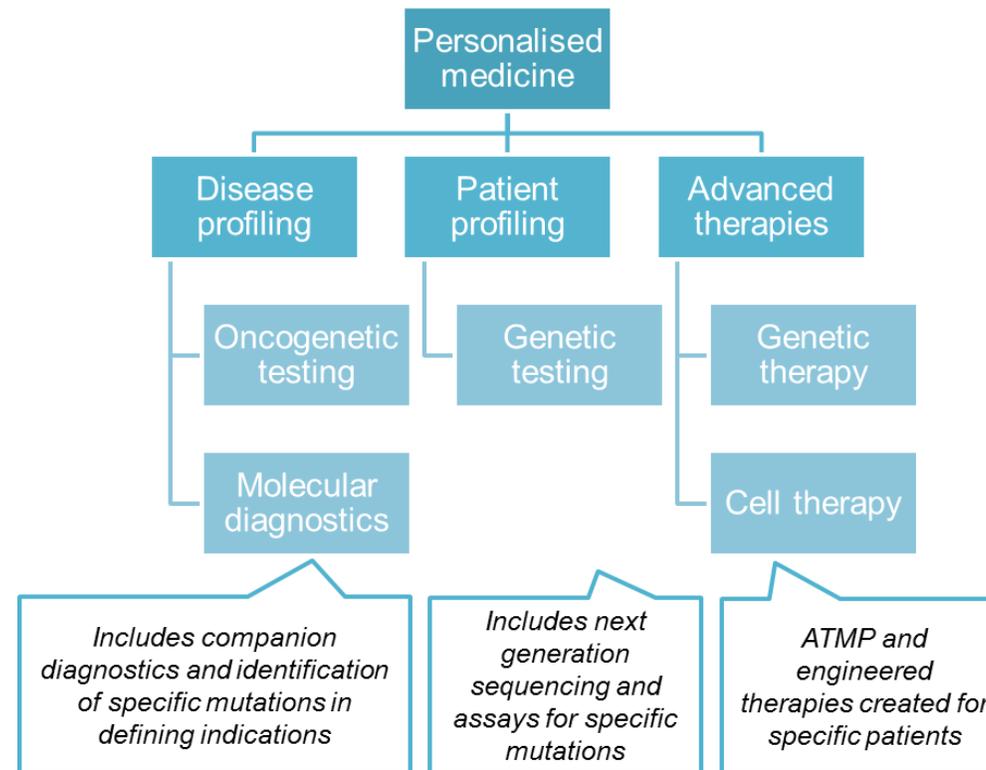
# Characterising the benefits of personalised medicines

Our client was seeking to develop an evidence base to support the contribution of personalised medicines to patients, healthcare systems and society more broadly, and identify hurdles and enablers to the development and adoption of personalised medicines in Europe



## Client situation

- Reviewed evidence of benefits of personalised medicines through literature review and expert interviews
- Identified appropriate analogues and conducted case study assessments of analogue impact in each key EU market
- Developed advocacy plan and recommendations to support awareness of personalised medicines and their potential in advancing healthcare



## CRA engagement

- ✓ Comprehensive evidence base demonstrating benefit of personalised medicines, including a range of supportive case studies
- ✓ Strategic, actionable plan to improve adoption of personalised medicines and enable efficiencies within existing healthcare systems

# The expert witness team provides analysis and testimony in a variety of litigation matters for Life Sciences companies

## Commercial Disputes

- Launch commercialization
- Breach of contract
- Co-development, co-marketing, and co-promotion
- Arbitration

## Intellectual Property

- Reasonable royalties
- Lost profits
- Commercial success
- Irreparable harm
- Trade secrets



## Competition

- Market definition
- Assessment of market power
- Patent settlement disputes
- Antitrust damages

## Product Liability

- Class certification
- Labelling
- Product promotion

## Financial Disputes

- Valuation
- 10b-5 and CVR disputes

The Life Sciences Litigation team regularly collaborates with other CRA practices to provide expertise

# We invest in innovation as a platform for engaging our clients and partnering with them as they transform the life science industry

Illustrative areas of focus:

## Lab 1: Rare Disease

Sustainable commercialization, patient finding, adaptive clinical trial design

## Lab 2: Oncology

Precision medicine, cell therapies, combination therapy pricing

## Lab 3: Opportunity Assessments

Rapid cross-functional assessment of opportunities for BD / M&A teams

## Lab 4: Digital Therapeutics

Commercial models, wearable technology integration, remote patient monitoring, prescription digital therapeutics

## Lab 5: Contracting & Pricing – US focus

IRA impact, healthcare equity

## Lab 6: Payer Strategies – EU focus

Value based pricing, sustainable market access

# Growth opportunities in Life Sciences

## ▶ R&D strategy for commercialization

- Medical Affairs

## ▶ BD assessments

## ▶ Key accounts

- General counsel's office

## ▶ Expertise

- Litigation
- Policy
- Regulatory

## ▶ Asia

# Concluding Remarks



**Paul Maleh**

Chairman of the Board,  
President and CEO

# Appendix

## Supplemental Financial Disclosures

# Reconciliation of Non-GAAP Financial Measures

|   | Fiscal Years   |                |                |                |                |                | Fiscal YTD     |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | Q3 2023        | Q3 2022        |
| (\$ in millions, except per share data)                               |                |                |                |                |                |                |                |                |
| Revenues  | \$ 370.1       | \$ 417.6       | \$ 451.4       | \$ 508.4       | \$ 565.9       | \$ 590.9       | \$ 462.4       | \$ 445.9       |
| Income from operations  | 15.8           | 28.9           | 29.3           | 34.8           | 55.7           | 58.7           | 40.4           | 45.4           |
| Operating margin (%)  | 4.3 %          | 6.9 %          | 6.5 %          | 6.8 %          | 9.8 %          | 9.9 %          | 8.7 %          | 10.2 %         |
| Net income (loss) attributable to CRA International, Inc.             | \$ 7.6         | \$ 22.5        | \$ 20.7        | \$ 24.5        | \$ 41.7        | \$ 43.6        | \$ 27.0        | \$ 34.9        |
| Net income (loss) attributable to noncontrolling interest, net of tax | 0.1            | -              | -              | -              | -              | -              | -              | -              |
| <b>Net income</b>   | <b>\$ 7.7</b>  | <b>\$ 22.5</b> | <b>\$ 20.7</b> | <b>\$ 24.5</b> | <b>\$ 41.7</b> | <b>\$ 43.6</b> | <b>\$ 27.0</b> | <b>\$ 34.9</b> |
| <b>Net income margin (%)</b>  | <b>2.1 %</b>   | <b>5.4 %</b>   | <b>4.6 %</b>   | <b>4.8 %</b>   | <b>7.4 %</b>   | <b>7.4 %</b>   | <b>5.8 %</b>   | <b>7.8 %</b>   |
| Weighted average shares outstanding (diluted) in millions             | 8.5            | 8.6            | 8.2            | 7.9            | 7.6            | 7.4            | 7.1            | 7.4            |
| <b>Diluted earnings per share</b>                                     | <b>\$ 0.89</b> | <b>\$ 2.61</b> | <b>\$ 2.53</b> | <b>\$ 3.07</b> | <b>\$ 5.45</b> | <b>\$ 5.91</b> | <b>\$ 3.78</b> | <b>\$ 4.72</b> |
| <b>Reconciliation of GAAP net income to non-GAAP net income:</b>      |                |                |                |                |                |                |                |                |
| GAAP net income   | \$ 7.7         | \$ 22.5        | \$ 20.7        | \$ 24.5        | \$ 41.7        | \$ 43.6        | \$ 27.0        | \$ 34.9        |
| Other   | 8.6            | 1.4            | 5.4            | 3.0            | 0.4            | 0.3            | 0.1            | 0.2            |
| Foreign currency (gains) losses, net                                  | 0.4            | (0.4)          | 1.3            | -              | 0.5            | (1.9)          | 0.5            | (3.6)          |
| Tax effect of non-GAAP adjustments                                    | 0.1            | (0.1)          | (1.7)          | (0.8)          | (0.2)          | 0.3            | (0.1)          | 0.6            |
| Non-GAAP adjustments, net of tax                                      | 9.1            | 0.9            | 5.0            | 2.2            | 0.7            | (1.3)          | 0.4            | (2.7)          |
| <b>Non-GAAP net income</b>  | <b>\$ 16.8</b> | <b>\$ 23.4</b> | <b>\$ 25.7</b> | <b>\$ 26.7</b> | <b>\$ 42.4</b> | <b>\$ 42.3</b> | <b>\$ 27.4</b> | <b>\$ 32.3</b> |
| <b>Non-GAAP net income margin (%)</b>                                 | <b>4.5 %</b>   | <b>5.6 %</b>   | <b>5.7 %</b>   | <b>5.2 %</b>   | <b>7.5 %</b>   | <b>7.2 %</b>   | <b>5.9 %</b>   | <b>7.2 %</b>   |
| <b>Non-GAAP net income per diluted share outstanding</b>              | <b>\$ 1.95</b> | <b>\$ 2.72</b> | <b>\$ 3.14</b> | <b>\$ 3.35</b> | <b>\$ 5.54</b> | <b>\$ 5.74</b> | <b>\$ 3.83</b> | <b>\$ 4.36</b> |

|  | GAAP  | Non-GAAP | Difference due to Other |
|--|-------|----------|-------------------------|
| Revenue growth (Fiscal Years 2018-2022)                          | 60 %  | 60 %     | — %                     |
| Earnings per diluted share (EPS) growth (Fiscal Years 2018-2022) | 564 % | 194 %    | (370)%                  |
| Revenue growth (Fiscal Year 2022)                                | 4 %   | 4 %      | — %                     |
| Earnings per diluted share (EPS) growth (Fiscal Year 2022)       | 8 %   | 4 %      | (4)%                    |
| Revenue growth (Fiscal YTD 2023)                                 | 4 %   | 4 %      | — %                     |
| Earnings per diluted share (EPS) growth (Fiscal YTD 2023)        | (20)% | (12)%    | 8 %                     |

**Note:** Adjustments referred to as "Other" include goodwill and intangible impairment charges, valuation changes in contingent consideration liabilities associated with prior acquisitions, consideration paid in connection with the IQVIA transaction, activity from GNU123 Liquidating Corporation, acquisition-related costs, lease recapture, and estimated impact of The Tax Cuts and Jobs Act ("Tax Act").

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