

An Overview of Charles River Associates

Q3 FY2022



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Safe Harbor Disclaimer

Statements included in this presentation which are not historical in nature, including those concerning the company's future business, operating and financial condition, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements may include statements concerning our plans, objectives, goals, strategies, and future events, including, but not limited to, future revenues, growth, profitability, performance, as well as our expectations regarding revenue and non-GAAP EBITDA margin, the declaration of future quarterly dividends and capital allocation strategies. These statements that are not historical may be reflected in words, graphs or diagrams. When used in this presentation, words such as "believe," "seek," "aim," "going forward," "achieve," "committed," "pursuits," "target," "continue," "expect," "estimate," "should," and variations of such words or similar expressions are intended to identify forward-looking statements. These statements are based upon management's current expectations and speak only as of the date of this presentation. CRA International, Inc. d/b/a Charles River Associates ("CRA") cautions readers that there may be events in the future that CRA is not able to accurately predict or control, and the information contained in the forward-looking statements is inherently uncertain and subject to a number of risks that could cause actual results to differ materially from those contained in or implied by the forward-looking statements or by the historical references. These risks 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 extent and duration of the impact of the COVID-19 pandemic on our operations and results, including the effects on the financial health of our clients, and the impact of the imposition of public health measures and travel, health-related, business and other restrictions; foreign 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 settlements. Further information on various potential factors and risks that could affect CRA's financial results are included under the heading "Risk Factors" in the annual and quarterly reports we file with the Securities and Exchange Commission (SEC), as well as in the other documents we file with the SEC, which are available on the SEC's website or in the Investor Relations section of CRA's website at www.crai.com. 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. CRA cannot guarantee any future results, levels of activity, performance, or achievement and undertakes no obligation to update any of its forward-looking statements, nor does it assume any liability for any investment decisions made or not made as a result of this presentation.

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.



Positioning

Economic Litigation and Management Consulting Boutique with Leading Positions in Antitrust & Competition Economics, Valuation, Financial Markets, and Corporate Strategy



Two Lines of Business

Legal, Regulatory, and Financial Consulting
"Cutting Edge Approaches to High Stakes Cases"

Management Consulting
Sector Specialized Boutique



Sources of Distinctiveness

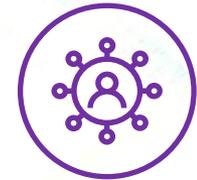
Leading Experts

Client-Tailored Model

Superior Analytics

Industry Insight

Senior-Led



Organization/ Culture

Team-Based

Entrepreneurial

Efficient Infrastructure

Performance Driven by Highly Talented and Dedicated Colleagues



77% of senior staff have advanced degrees, with 42% of the advanced degrees being PhDs



CRA accepts less than 2% of campus applicants



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



Over 30 languages spoken



Our staff hail from over 50 countries across 6 continents



More than 20 offices across 10 countries

Note: Figures as of year-end fiscal 2021.

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

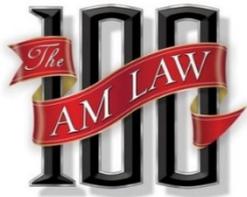
In the Past Two Years, We Have Worked with 78 of the Fortune 100

FORTUNE
100
Corporate



Note: Figures as of year-end fiscal 2021.

In the Past Two Years, We Have Partnered with 97 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 Gump
STRAUSS HAUER & FELD LLP

Cooley

Skadden
Skadden, Arps, Slate, Meagher & Flom LLP
& Affiliates

Proskauer >>

VENABLE LLP

Weil

WILMERHALE® WH

DLA PIPER

MAYER | BROWN

KIRKLAND & ELLIS LLP

ALSTON & BIRD

CRAVATH, SWAINE & MOORE LLP

SULLIVAN & CROMWELL LLP

Note: Figures as of year-end fiscal 2021.

We Are Delivering Growth While Returning Capital to Shareholders



**Revenue
Growth***



**Headcount
Growth**



**EPS
Growth***



**Stock
Repurchases**



**Cash
Dividends**

**Fiscal 2022
Q3 YTD**

3%

3%

utilization of 75%

9%

\$28M

average price of
\$86.47 per share

\$7M

Fiscal 2021

11%

4%

utilization of 74%

64%

\$45M**

average price of
\$73.34 per share

\$8M

**Fiscal Years
2017-2021**

75%

59%

utilization of 73%

313%

\$124M

average price of
\$51.26 per share

\$34M

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

**Includes \$25 million pursuant to a modified "Dutch auction" self-tender offer at \$74.00 per share in April 2021.

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



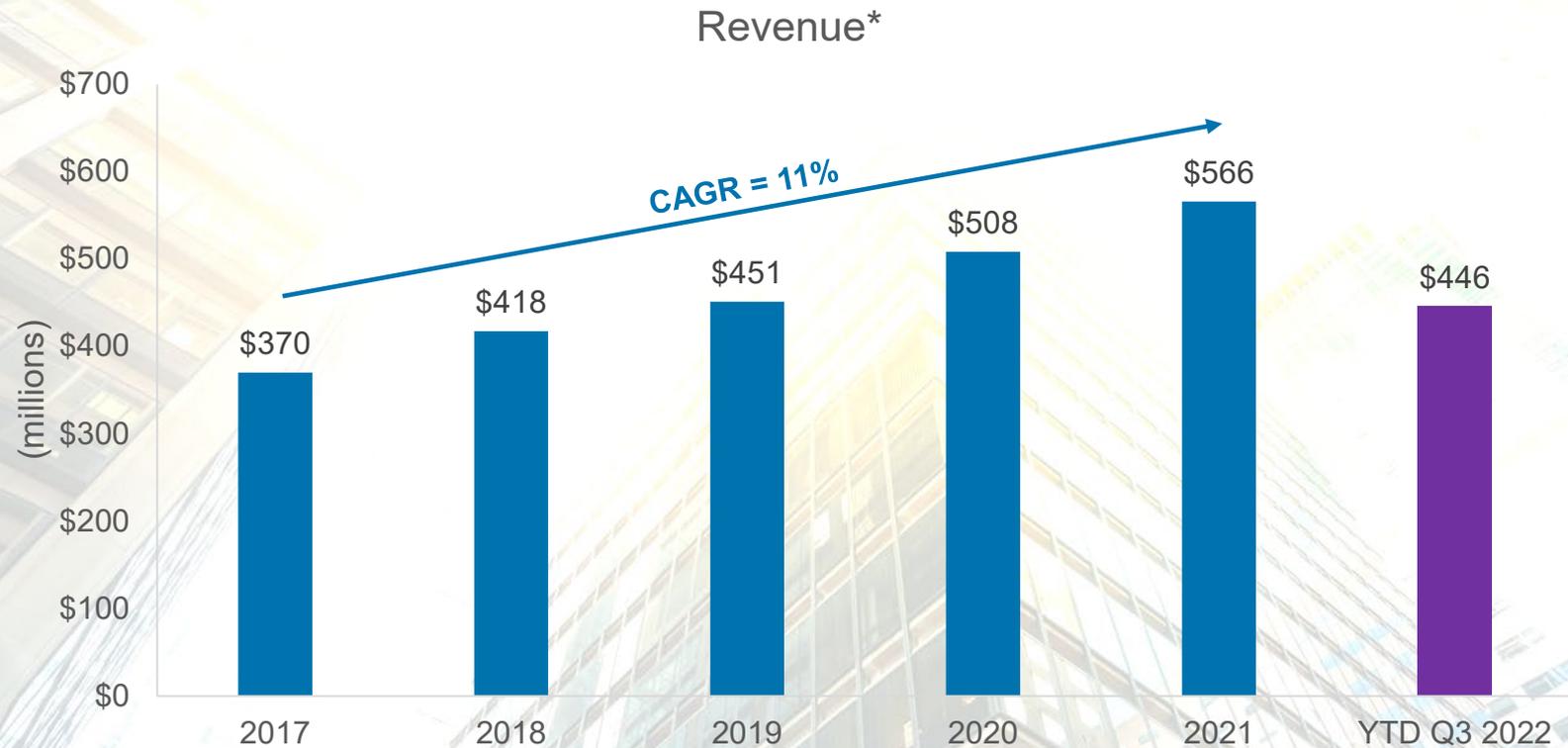
History of strong cash flows and no long-term debt



Value-based decision makers with disciplined capital allocation strategy

Objective is to maximize the long-term value per share

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 four fiscal years

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

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

(\$ in millions)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>YTD Q3 2022</u>
Revenue*	\$370	\$418	\$451	\$508	\$566	\$446
EBITDA*	\$33	\$41	\$44	\$51	\$68	\$58
% of Revenue*	9.0%	9.8%	9.8%	10.0%	12.1%	13.1%
Non-Cash Amortization of Forgivable Loans	\$20	\$24	\$27	\$31	\$33	\$26
% of Revenue*	5.3%	5.7%	5.9%	6.1%	5.8%	5.7%

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

Significant Cash Flow Generation Funds Value-Creating Growth

Adjusted Net Cash Flows from Operations*

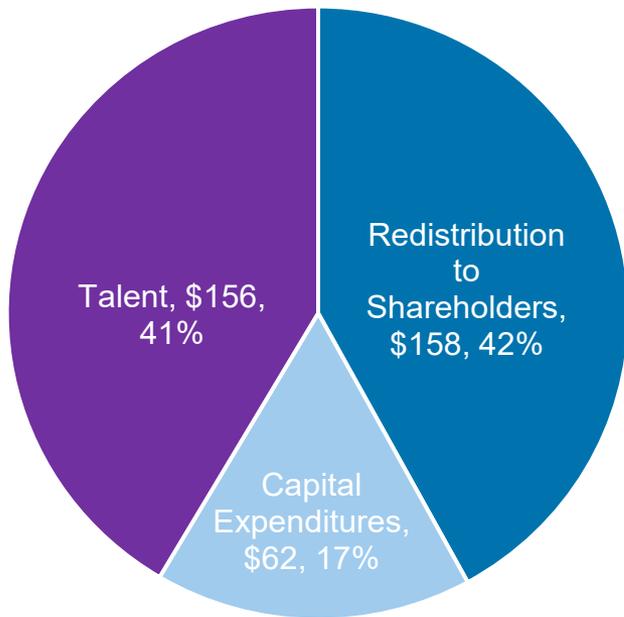


**Adjusted net cash flows from operations fund
investments in the business and redistributions to shareholders**

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

Capital Allocation Philosophy: Uses of Capital

Uses of Capital (FY2017-21)



Note: Dollar figures in millions

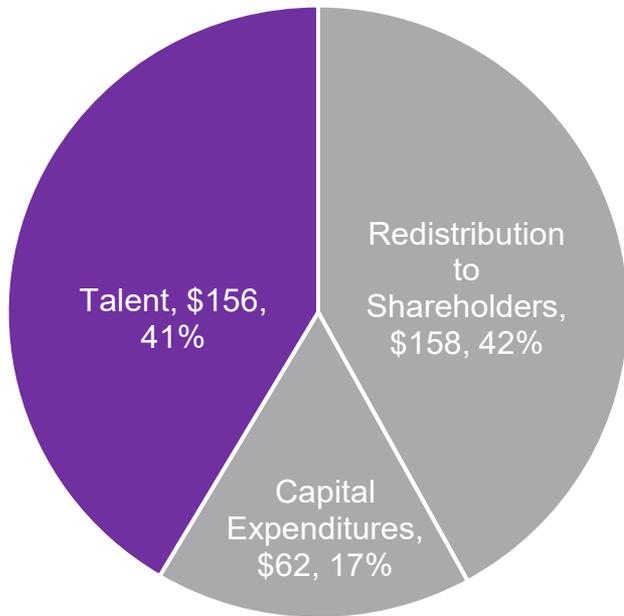
Given the strength of our business, all of our investments have been funded from operations

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 (FY2017-21)



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 75%, or more than \$240 million*

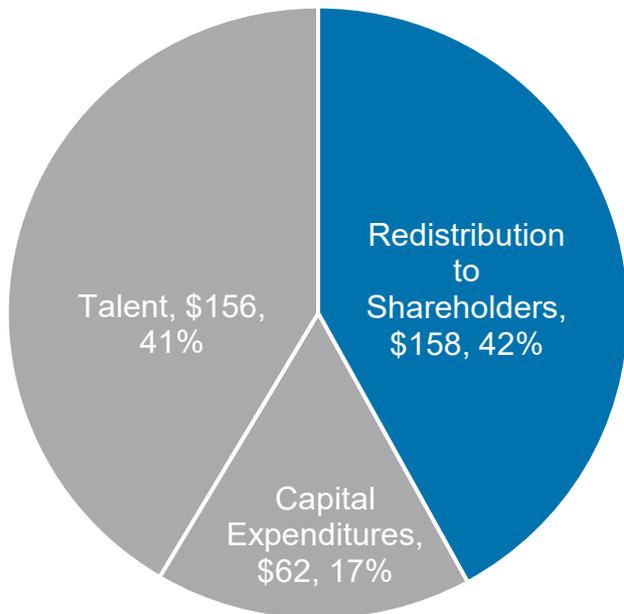
Historically, our revenue growth has been balanced between organic and inorganic opportunities; our goal is to have a growth engine tilted toward organic initiatives and supplemented by inorganic pursuits

Our talent investments will be focused on service offerings within our existing lines of business; our recent investments have focused on adding depth to our offerings in the areas of forensic services and life sciences

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

Capital Allocation Philosophy: Redistribution to Shareholders

Uses of Capital (FY2017-21)



Note: Dollar figures in millions

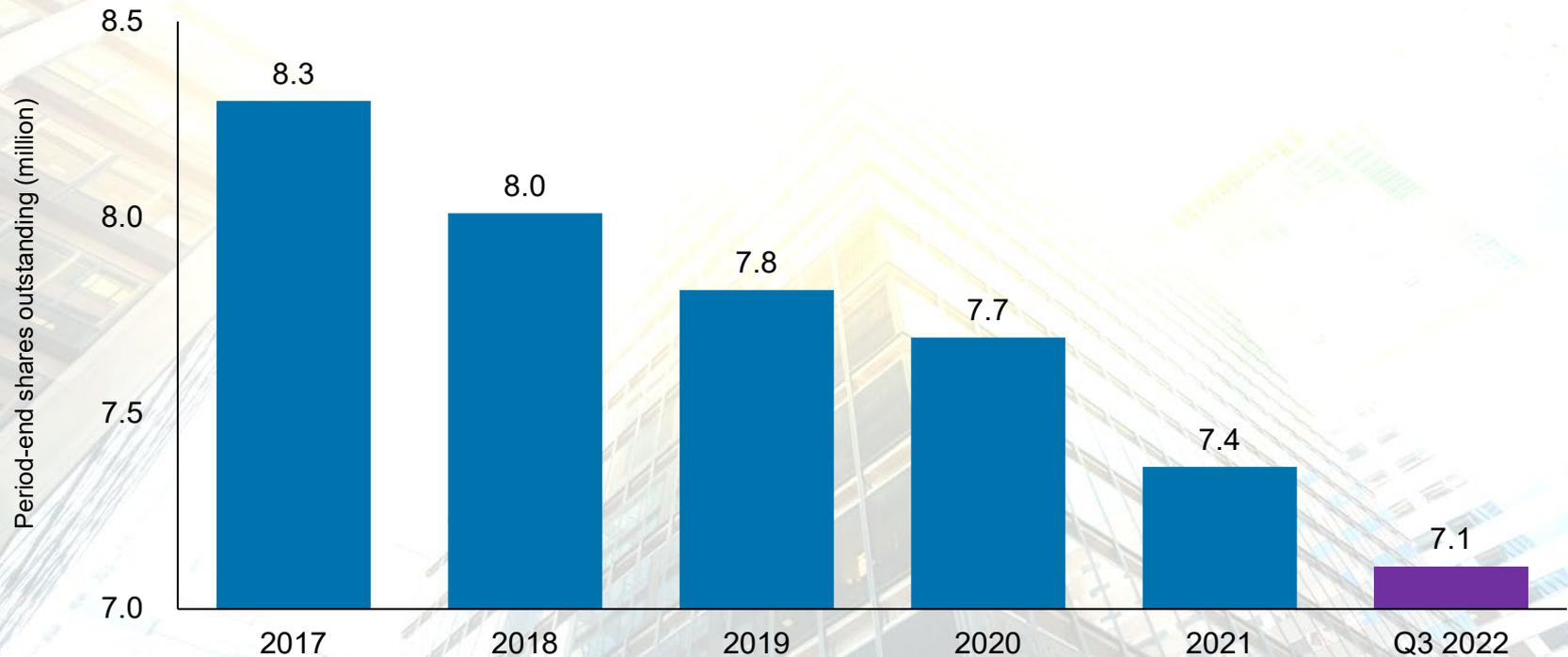
Redistributions to shareholders have consisted of \$124 million of share repurchases and \$34 million of dividend payments

CRA has repurchased 2.4 million shares at an average cost of \$51.26 per share during 2017-2021, reducing net shares outstanding by 12%

We initiated a quarterly dividend of \$0.14 per share in Q4 of 2016, with subsequent increases in each year 2017-2021, resulting in a current quarterly dividend of \$0.36 per share

During 2017-2021, stock repurchases and dividend payments have combined to deliver an average shareholder yield of approximately 7.5% relative to our average market capitalization

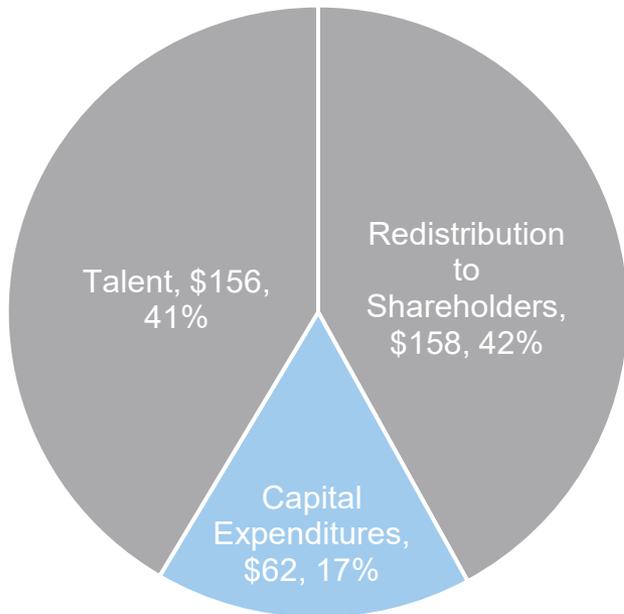
Shareholder Distributions Significantly Reduced Shares Outstanding, Magnifying Per Share Value Gains



Over the past decade, shares outstanding have shrunk by nearly 30%

Capital Allocation Philosophy: Capital Expenditures

Uses of Capital (FY2017-21)



Note: Dollar figures in millions

Outlays associated with lease expirations and office expansions to accommodate growth accounted for \$47 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 80% across our offices provides for future expansion without the need for significant capital outlays

Our non-real estate capital expenditures are typically modest, averaging approximately \$3 million per year

Evergreen End Markets and Primary Demand Drivers



Legal Spend



Mergers & Acquisitions



Regulatory & Public Policy



Strategy & Operations Consulting

Strong Performance in Legal & Regulatory Services Despite Flat Legal Spending



Source: BTI 21st Annual Survey of Top Legal Decision Makers, May 2022

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: Refinitiv Deals Intelligence and Breakingviews, October 2022

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



“Faithfully enforcing the antitrust laws will necessarily involve taking action against dominant firms, some of which are among the wealthiest and most powerful companies in the world. These companies are often able to marshal enormous resources to try to dissuade enforcers. But upholding the rule of law requires that we administer our statutes without fear or favor.”

Lina M. Kahn, Chair, Federal Trade Commission
Fordham Annual Conference on International Antitrust Law & Policy, 16 September 2022



“We must remain vigilant to opportunities to drive greater efficiency, integrity, and resiliency across our remit. First, markets work best when they are efficient. That efficiency is achieved through the tools of transparency and competition. We have projects designed to drive greater efficiency in the Treasury markets, in the equity markets, and in private funds.”

Gary Gensler, Chair, U.S. Securities and Exchange Commission
Oral Testimony Before the United States Senate Committee on Banking, Housing, and Urban Affairs, 15 September 2022

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

Following COVID-related Contraction in 2020, the Outlook for Management Consulting Remains Positive



Key Trends in Management Consulting

The reopening of the economy in 2021 led to corporate profit increasing

Industry revenue is expected to continue to increase in 2022 due to strong growth in corporate profit

Increased spending on healthcare and greater energy utilization will drive demand from businesses

The pandemic has accelerated the adoption of relatively novel, digital technologies by downstream businesses

In light of recent trends, increasing our sector focus and analytical capabilities position CRA for future growth

Representative Client Matters



Legal, Regulatory, and Financial Consulting



CRA economists advised counsel to CVS Health (CVS) and Aetna on CVS's acquisition of Aetna. The US Department of Justice approved the merger subject to the divestiture of Aetna's Medicare Part D prescription drug plan business for individuals and concluded the merger did not raise any other horizontal or vertical competitive concerns.

Legal, Regulatory, and Financial Consulting



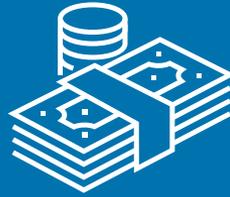
When a global leader in insurance and risk management services became the victim of a ransomware incident, it temporarily shut down its global systems and called in CRA. Our Forensic Services experts eradicated the malware; identified the confidential data at risk; responded to client and regulator requests; and deployed leading edge endpoint monitoring tools to help harden the environment going forward.

Legal, Regulatory, and Financial Consulting



CRA consultants advised counsel to Credit Acceptance Corporation, a leading automobile financing firm that was involved in litigation regarding alleged monopolization. CRA provided expert reports and deposition testimony that addressed monopolization allegations and rebutted damages estimates. The case was ultimately dismissed on summary judgment.

Legal, Regulatory, and Financial Consulting



CRA was retained by counsel for a large manufacturer in a securities class action litigation filed in U.S. District Court arising from its acquisition by a financial sponsor. CRA was retained to analyze issues related to the adequacy of financial information and potential damages. In addition, our teams supported testimony on the compensation that the manufacturer's executives stood to earn as a result of the acquisition and the role of merger arbitrageurs in cash-for-stock transactions.

Management Consulting



A manufacturer of a market-leading, multi-billion dollar oncology therapy was facing competition from a new entrant. CRA advised the company regarding potential competitor entry strategies, assessed the risks associated with each, developed options to mitigate competitive risk, and recommended a course of action to enable continued market growth and optimal share retention.

Management Consulting



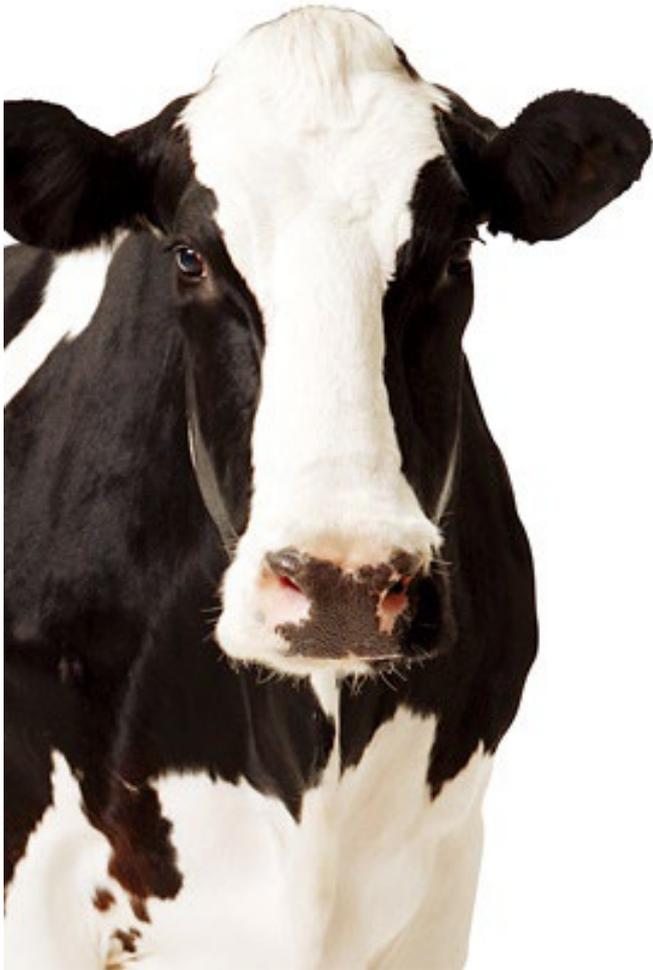
CRA worked with a North American utility to shift organizational focus and energy towards embedding sustainability into the business. Areas of emphasis included environmental stewardship, community and indigenous relations, health and safety, people, and business resilience.

Management Consulting



CRA worked with a major oil and gas company to develop its future view on energy service demands and the technologies that will be required to meet those demands. This analysis has been important in helping position the company in relation to its strategy in pivoting towards a cleaner energy portfolio.

Management Consulting



When Fonterra Co-operative Group, the world's leading dairy exporter, wanted to enhance price transparency, price risk management, and forward price information, they turned to CRA. We pioneered an Internet-based trading platform for commodity dairy products, and we independently manage the trading events. Cumulative sales of dairy products traded on this platform—now with multiple sellers and buyers—have surpassed US\$30 billion.

Appendix

Supplemental Financial Disclosures

CRA Charles River
Associates

Reconciliation of Non-GAAP Financial Measures

	Fiscal Years						Fiscal YTD	
	2016	2017	2018	2019	2020	2021	Q3 2022	Q3 2021
(\$ in millions, except per share data)								
Revenues	\$ 324.8	\$ 370.1	\$ 417.6	\$ 451.4	\$ 508.4	\$ 565.9	\$ 445.9	\$ 431.2
Income from operations	18.9	15.8	28.9	29.3	34.8	55.7	45.4	43.4
Operating margin (%)	5.8%	4.3%	6.9%	6.5%	6.8%	9.8%	10.2%	10.1%
Net income (loss) attributable to CRA International, Inc.	12.9	7.6	22.5	20.7	24.5	41.7	34.9	33.0
Net income (loss) attributable to noncontrolling interest, net of tax	1.3	0.1	-	-	-	-	-	-
Net income	\$ 14.2	\$ 7.7	\$ 22.5	\$ 20.7	\$ 24.5	\$ 41.7	\$ 34.9	\$ 33.0
Net income margin (%)	4.4%	2.1%	5.4%	4.6%	4.8%	7.4%	7.8%	7.7%
Weighted average shares outstanding (diluted) in millions	8.6	8.5	8.6	8.2	7.9	7.6	7.4	7.6
Diluted earnings per share	\$ 1.49	\$ 0.89	\$ 2.61	\$ 2.53	\$ 3.07	\$ 5.45	\$ 4.72	\$ 4.31
Reconciliation of GAAP revenue to non-GAAP revenue:								
GAAP revenue	\$ 324.8	\$ 370.1	\$ 417.6	\$ 451.4	\$ 508.4	\$ 565.9	\$ 445.9	\$ 431.2
Revenue from GNU	(0.8)	-	-	-	-	-	-	-
Non-GAAP revenue	\$ 324.0	\$ 370.1	\$ 417.6	\$ 451.4	\$ 508.4	\$ 565.9	\$ 445.9	\$ 431.2
Reconciliation of GAAP net income to non-GAAP net income:								
GAAP net income	\$ 14.2	\$ 7.7	\$ 22.5	\$ 20.7	\$ 24.5	\$ 41.7	\$ 34.9	\$ 33.0
Revenue from GNU	(0.8)	-	-	-	-	-	-	-
Other	(2.2)	8.6	1.4	5.4	3.0	0.4	0.2	0.4
Tax effect of non-GAAP adjustments	0.3	0.1	(0.2)	(1.5)	(0.8)	(0.1)	(0.1)	(0.1)
Non-GAAP adjustments, net of tax	(2.7)	8.7	1.2	4.0	2.2	0.3	0.2	0.3
Non-GAAP net income	\$ 11.5	\$ 16.4	\$ 23.7	\$ 24.7	\$ 26.7	\$ 42.0	\$ 35.1	\$ 33.3
Non-GAAP net income margin (%)	3.6%	4.4%	5.7%	5.5%	5.3%	7.4%	7.9%	7.7%
Non-GAAP net income per diluted share outstanding	\$ 1.33	\$ 1.91	\$ 2.75	\$ 3.01	\$ 3.35	\$ 5.49	\$ 4.75	\$ 4.34

Reconciliation of Non-GAAP Financial Measures (cont.)

(\$ in millions)	Fiscal Years						Fiscal YTD	
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Q3 2022</u>	<u>Q3 2021</u>
Reconciliation of net income to non-GAAP EBITDA:								
Net Income	\$ 14.2	\$ 7.7	\$ 22.5	\$ 20.7	\$ 24.5	\$ 41.7	\$ 34.9	\$ 33.0
Adjustments needed to reconcile GAAP net income to non-GAAP net income:	(2.7)	8.7	1.2	4.0	2.2	0.3	0.2	0.3
Non-GAAP net income	\$ 11.5	\$ 16.4	\$ 23.7	\$ 24.7	\$ 26.7	\$ 42.0	\$ 35.1	\$ 33.3
Interest expense (income), net	0.5	0.5	0.6	1.3	1.2	1.0	1.3	0.8
Provision (benefit) for income taxes	7.4	7.3	6.6	7.5	9.9	12.7	12.8	9.4
Depreciation and amortization	7.9	8.9	10.0	10.6	12.8	12.8	9.1	9.7
Non-GAAP EBITDA	\$ 27.3	\$ 33.1	\$ 41.0	\$ 44.1	\$ 50.7	\$ 68.4	\$ 58.3	\$ 53.2
Non-GAAP EBITDA margin	<u>8.4%</u>	<u>9.0%</u>	<u>9.8%</u>	<u>9.8%</u>	<u>10.0%</u>	<u>12.1%</u>	<u>13.1%</u>	<u>12.3%</u>

	<u>GAAP</u>	<u>Non-GAAP</u>	<u>Difference due to GNU and Other</u>
Revenue growth (Fiscal Years 2017-2021)	74%	75%	1%
Earnings per diluted share (EPS) growth (Fiscal Years 2017-2021)	266%	313%	47%
Revenue growth (Fiscal Year 2021)	11%	11%	0%
Earnings per diluted share (EPS) growth (Fiscal Year 2021)	78%	64%	-14%
Revenue growth (Fiscal YTD 2022)	3%	3%	0%
Earnings per diluted share (EPS) growth (Fiscal YTD 2022)	10%	9%	-1%

Reconciliation of Non-GAAP Financial Measures (cont.)

	Fiscal Years					LTM
	2017	2018	2019	2020	2021	Q3 2022
(\$ in millions)						
GAAP Condensed Statement of Cash Flows						
Net cash provided by operating activities	\$ 45,858	\$ 36,189	\$ 27,832	\$ 54,663	\$ 75,698	\$ 26,780
Net cash used in investing activities	(25,670)	(15,447)	(16,693)	(17,094)	(2,623)	(14,077)
Net cash used in financing activities	(21,851)	(35,747)	(23,818)	(19,500)	(51,993)	(4,913)
Effect of foreign exchange rates on cash and cash equivalents	2,168	(1,002)	290	1,969	(629)	(3,362)
Net increase (decrease) in cash and cash equivalents	\$ 505	\$ (16,007)	\$ (12,389)	\$ 20,038	\$ 20,453	\$ 4,428
Cash and cash equivalents at beginning of period	53,530	54,035	38,028	25,639	45,677	19,665
Cash and cash equivalents at end of period	\$ 54,035	\$ 38,028	\$ 25,639	\$ 45,677	\$ 66,130	\$ 24,093
Revenue	\$ 370,075	\$ 417,648	\$ 451,370	\$ 508,373	\$ 565,933	\$ 580,691
GAAP net cash provided by operating activities as a percentage of revenue	12.4%	8.7%	6.2%	10.8%	13.4%	4.6%
Adjusted Net Cash Flows from Operations						
GAAP net cash provided by operating activities	\$ 45,858	\$ 36,189	\$ 27,832	\$ 54,663	\$ 75,698	\$ 26,780
Forgivable loan advances	11,672	30,572	35,166	42,418	14,528	30,360
Forgivable loan repayments	(2,135)	(3,396)	(1,173)	-	(69)	(94)
Other non-recurring cash items	-	-	-	-	10,393	233
Adjusted net cash flows from operations	\$ 55,395	\$ 63,365	\$ 61,825	\$ 97,081	\$ 100,550	\$ 57,279
Non-GAAP revenue	\$ 370,075	\$ 417,648	\$ 451,370	\$ 508,373	\$ 565,933	\$ 580,691
Adjusted net cash flows from operations as a percentage of non-GAAP revenue	15.0%	15.2%	13.7%	19.1%	17.8%	9.9%

Reconciliation of Non-GAAP Financial Measures

Note:

1) Adjustments for GNU and Other

These adjustments arise from activity related to GNU, CRA's majority owned subsidiary, formerly known as "NeuCo," in the Company's GAAP results. In April 2016, substantially all of GNU's assets were sold. Additional adjustments referred to as "Other" include goodwill and intangible impairment charges, restructuring charges, valuation changes in contingent consideration liabilities associated with prior acquisitions, consideration paid in connection with the IQVIA transaction, acquisition-related costs, lease recapture and related tax effects, estimated impact of The Tax Cuts and Jobs Act ("Tax Act"), and certain other unusual charges.

Investor Relations



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