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Meeting with Management

Discovery & Safety Assessment

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Focus Areas of Today's Discussion on Discovery & Safety Assessment



Growing Complexity of Science

- CRL remains well positioned to capitalize in an increasingly complex environment due to our global footprint, breadth of non-clinical capabilities, deep scientific expertise, and ability to drive greater efficiency and connectivity with our clients

Reimagined R&D Partner

- New opportunities to continue to advance our market leadership and science, including through technology partnerships, lab sciences, new modalities, and digital transformation/Apollo™

Sustainable Practices

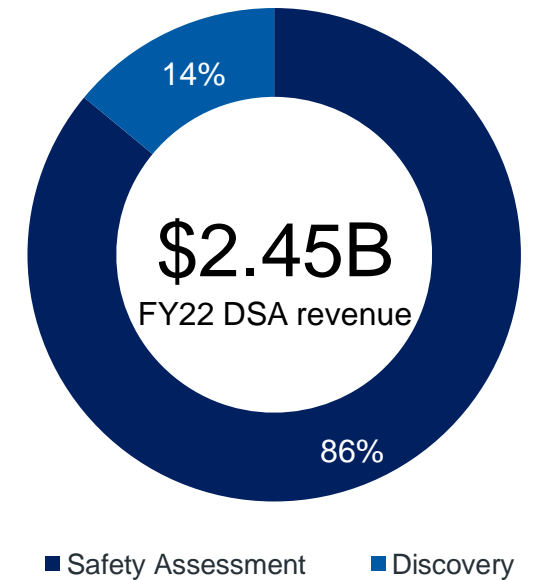
- A deeper dive into NHP supply and our commitment to the 4Rs and animal welfare

Largest, Global Partner for Outsourced Drug Discovery, Non-Clinical Development, and Regulated Safety Testing Services

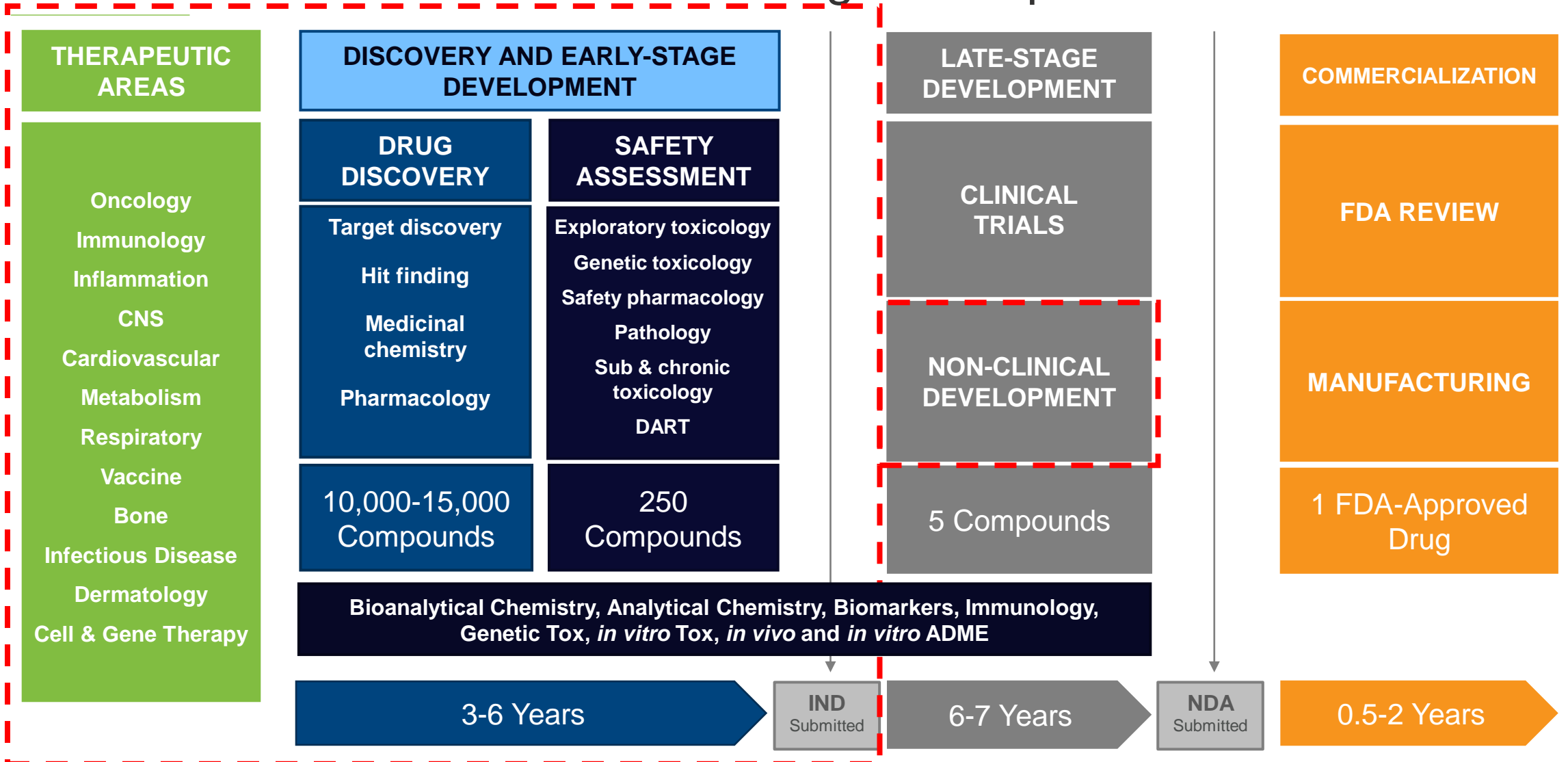
Global Scale



Proven Results



DSA's Non-Clinical Focus in the Drug Development Process



Discovery Services Overview

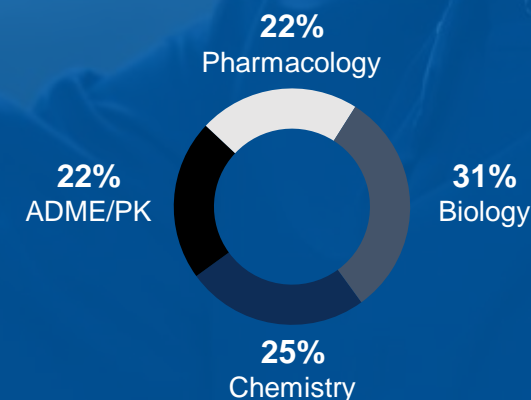
- A unique outsourced offering to provide clients a single source for services across the discovery spectrum
 - Engages with clients earlier in the discovery process
- Integrates chemistry, *in vitro*, and *in vivo* capabilities
 - Extensive medicinal chemistry and structural biology expertise
 - Comprehensive tumor and HTS (high-throughput screening) libraries
 - Pharmacology models for all major disease areas
 - Expertise centered around all major therapeutic areas, including oncology and CNS
- Continuing to expand discovery capabilities through M&A, strategic partnerships, and internal investment

Outsourced Discovery
Market Sector: ~\$6-7B



Outsourcing Penetration: ~30%

Discovery Market Sector
by Service Area



Maintain Cutting-Edge Capabilities Through Technology Partnerships

Market Driver

CRL Strategic Imperative

Partnership Portfolios

BROAD THERAPEUTIC OPTIONS

Clients are drugging disease using small molecules, antibodies, genes, cells, and combinations thereof



Accelerate the portfolio for advanced modalities



Advanced modalities

distributed bio * Acquired
a charles river company

Large molecule discovery platform and antibody libraries

vernal BIOSCIENCES

GMP-grade mRNA manufacturing and LNP (lipid nanoparticle) design

HUMAN TRANSLATION & DATA RICHNESS

Clients need to understand how drugs will behave in human systems as early as possible and tackle the best human targets, not the easiest



Enhance “human-ness” of assays and models; unlock tough targets using next generation assay platforms



Next-gen biology and advanced models

saldi * Acquired
tech inc.

High-throughput screening via mass spectrometry

ATEM

Cryo-electron microscopy for drug design

bit.bio

Translational discovery platform for iPSCs

CYPRE

3D tumor modelling

DIGITALIZATION OF SCIENCE

Clients are increasingly using data and AI/ML to drive decisions and increase clock speed of discovery and development



Digitally transform CRL core portfolio to drive efficiencies, competitive differentiation, and reach patients sooner



Digital, AI, and informatics

DECIPHEx

Preclinical digital pathology

Valo

Artificial intelligence (AI) for discovery



SEND compliance software

Safety Assessment (SA) Overview

- Global leader in both non-regulated (non-GLP) and regulated (GLP) safety assessment services
 - Providing clients with expertise for integrated drug development
 - Non-GLP efficacy studies
 - Safety Assessment (SA)
 - General toxicology
 - Specialty toxicology
 - › Inhalation, infusion, developmental and reproductive, juvenile/neonatal, ocular, bone, immunotoxicology, and phototoxicology
 - Comprehensive suite of bioanalytical services
 - Expert pathology services
- CRL has built the broad scientific capabilities and global scale necessary to fully support our clients' non-clinical development efforts

Outsourced SA Market Sector: \$7-\$8B



Outsourcing Penetration: ~60%+

* Safety Assessment market sector size definition has expanded to fully reflect preclinical bioanalysis and chem & agchem sectors.

CRL SA Revenue Mix by Modality



Lab Sciences/Bioanalytical Capabilities

Lab Sciences will enable further transformation in drug development

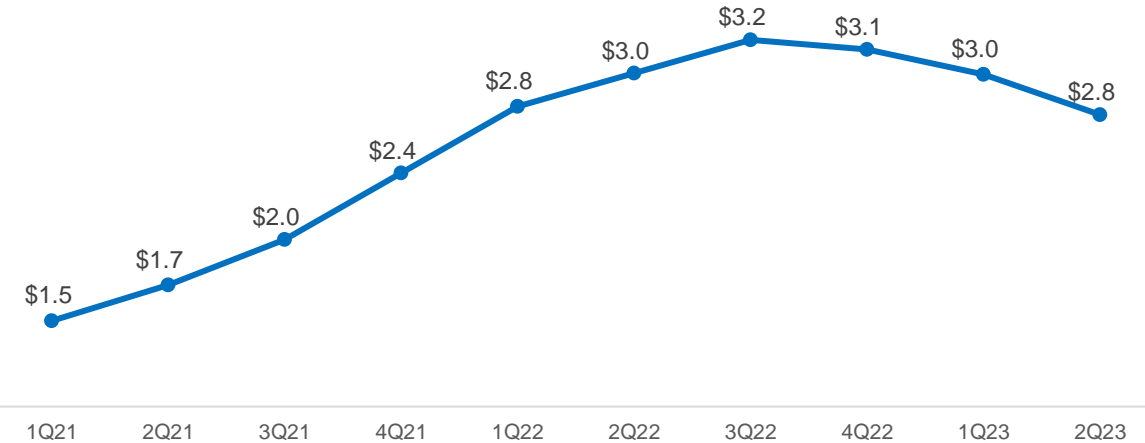
- CRL is well positioned, with a comprehensive suite of lab science and bioanalytical services required for sample analysis
 - Expertise with large and small molecules, as well as new modalities
 - Clients recognize that integrated lab services will accelerate their timelines and drive cost efficiencies
- Outsourced preclinical bioanalysis sector estimated to be ~\$2B+*
 - Expected long-term sector growth of high-single to low-double digits
 - Services for biologics and advanced modalities expected to drive robust growth
 - Additional and more significant growth opportunities extend into clinical sector
- Increasing complexity and cost of technology drives outsourcing and preference to stay with one lab from discovery through clinical trials



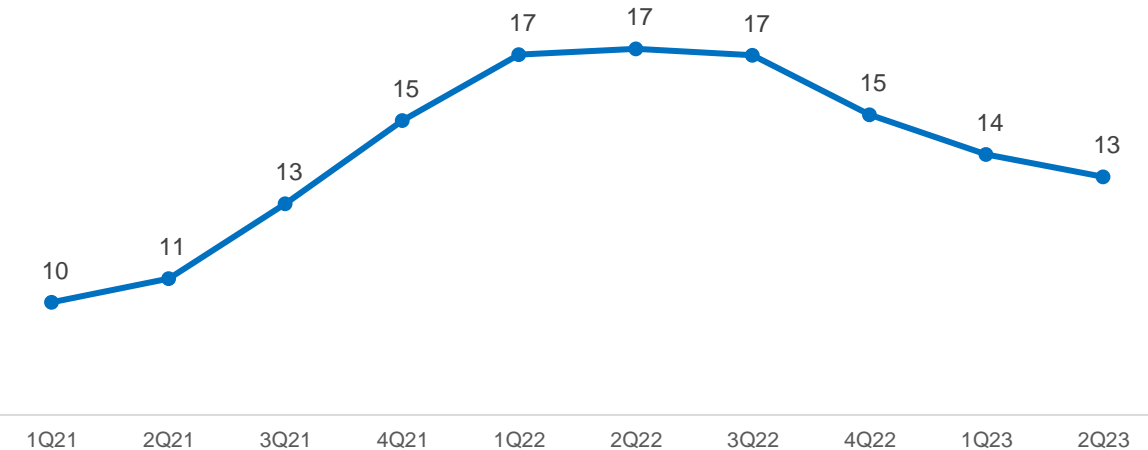
Recent DSA Demand Trends

- DSA demand environment remains healthy, but trends are normalizing from unprecedented levels in 2021-2022
 - Pipeline reprioritization and tighter budgets
- As of 2Q23, gross book-to-bill remained >1x, reflecting a continuation of healthy new business awards
- Net book-to-bill has been <1x, due to increased cancellations, particularly in 2Q23, that have resulted in backlog declines for 3 consecutive quarters
- Higher cancellations in 2Q23 driven by budgets/pipeline, and split across global biopharma and small biotechs
 - Reason given for ~two-thirds of 2Q23 cancellations was funding/pipeline rationalization, and only ~2% of 2Q23 cancellations due to competitor timelines/price
 - ~80% of 2Q23 cancellations were for work booked in 2022 or 2021
- Recent signs of stabilizing trends based on external factors such as macroeconomic environment and biotech funding

DSA Backlog Trends (\$ in Billions)



Safety Assessment Revenue Coverage (Avg, Months in Backlog)



DSA Organic Revenue Growth Targets

Current Target:

6%-8%

2023-2026E DSA organic revenue CAGR

2023-2026E Growth Assumptions

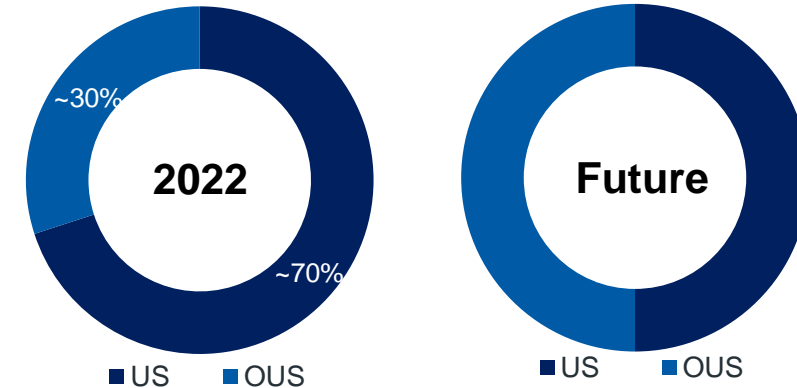
- DSA revenue growth rate expected to revert to pre-pandemic levels following the current normalization period
- Volume growth expected to directionally equate to biopharma R&D growth over the longer term
 - Preclinical development activity is an important indicator of DSA growth, but also conduct a meaningful number of post-IND studies
 - In addition to R&D growth, expect a modest benefit from outsourcing penetration and market share gains
- Incremental growth drivers include enhanced capabilities for bioanalysis and new drug modalities
- “Base” pricing increases expected to normalize towards pre-pandemic levels as cost inflation abates
- Moderating trend for NHP price increases

NHP Supply Overview

Leveraging our global infrastructure

- Believe we have mitigated the overall impact of NHP supply constraints including the suspension of Cambodian imports into the US
- Leveraging our global SA infrastructure by conducting more studies outside the US
 - Our global scale is a competitive advantage
- Going forward, we will conduct meaningfully less NHP-related study work in the US
 - Our international Safety Assessment infrastructure will accommodate this work and these sites have historically conducted NHP-related study work
- Broad-based DSA revenue growth over last 3 years propelled by clients' investments in their R&D pipelines
- NHP-related study revenue has benefited the DSA growth rate due to:
 - Robust increase in study volume from biologics-related development work
 - Escalating NHP prices that have risen at a faster rate than base SA pricing

Geographic Breakout of NHP-related SA Studies



NHP Pricing Impact to DSA Revenue Growth Rate

11.5%-12%

2020-2023E DSA revenue growth CAGR (as reported)

~9%

2020-2023E DSA revenue growth CAGR (excluding NHP pricing impact*)

See ir.criver.com for reconciliations of GAAP to non-GAAP results.

* Assumes NHP pricing at 2020 levels as a baseline for this analysis, which will create a ~275 bps headwind to the 2020-2023E DSA reported growth CAGR.

NHP Supply Overview

Firmly committed to the 4Rs and sustainable and compliant business practices

- **Expansive efforts dedicated to the highest-quality supply of NHPs**
 - Regular training programs with global suppliers
 - Multiple recent supplier audits and site visits, including in Cambodia and other countries of origin
- **Continuous improvement program focused on:**
 - AAALAC standards
 - CITES compliance requirements
 - CRL's specifications and animal welfare expectations
 - More frequent audits and new audit procedures focused on record-keeping standards exceeding those required by regulators
- **Firmly believe that we continue to act in accordance with applicable laws, rules, and regulations, and that we have satisfied the material requirements, documentation, and related processes and procedures as required by CITES to import NHPs**
- **Continue to champion animal welfare and the 4Rs to promote more sustainable practices in the future**
 - Evaluate alternative models to modify the reliance on certain large models
 - Review *in vitro* alternatives to screen for liabilities, efficacy, and metabolism
 - Promote virtual control groups, more efficient study designs, and other methodologies to modify animal use

DSA Digital Transformation



Scientific data is the core of our business

- Our focus has been on building a best-in-class outsourcing experience through digitalization of data, data analytics, and self-service options
- Our digital strategy entails:
 - Continuous upgrades to IT security and foundational information and data management tools to support global digital strategy and data analytics
 - Enhance tools to support the operational excellence of CRL and our clients
 - Migrate towards a full digital client experience to provide clients with real-time access to data and self-service options
- Apollo™ for Safety Assessment was rolled out at Society of Toxicology Annual Meeting in March 2023
 - Clients have access to most in-life study data through this platform
- Digitalization and harmonization of processes, systems, and data is needed to better leverage data across CRL and connect with our clients

Digital transformation is key to our goal to further reduce our clients' drug development timelines

DSA Strategic Imperatives Drive Innovation and Growth



Scientific Innovation

Reimagine R&D to accelerate pathways to go/no-go decisions by investing organically and through partnerships and M&A

- Innovation to accommodate shift to large molecule and C> research programs, while maintaining market-leadership position across all modalities



Client Focused

Maximizing synergies across portfolio to drive value for clients

- Flexible and customized approach to work with each unique client



Operational Excellence

Revolutionize the industry with a seamless and flexible end-to-end, early-stage drug development platform through collaboration, harmonization, and process improvement

- Targeting to further reduce our clients' early-stage timelines



Digitally Enabled

Best-in-class outsourcing experience through digitalization of data, enhanced data analytics, and providing self-service options

- Launch of Apollo™ for Safety Assessment will continue to differentiate CRL from the competition



Advance Culture

Engage, hire, and retain the best people by developing, appreciating, and empowering our people and allowing them to make fast decisions

Reinforce leadership in animal welfare/4Rs and sustainability



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