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Meeting with Management

Research Models & Services

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Focus Areas of Today's Discussion on RMS Segment



Accelerated growth

- Sustained long-term RMS growth potential through leading position, global scale, and focus on emerging areas of growth

China and CRADL™

- China and CRADL™ remain two of the most meaningful growth drivers, as well as opportunities across our broader service offering and in key biohubs

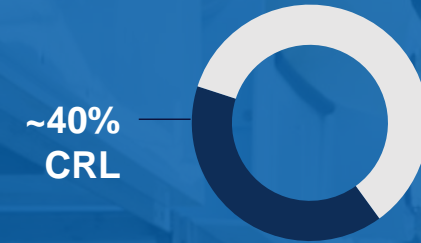
Digitally enabled

- Inventory optimization and e-commerce initiatives are transforming the speed and efficiency of this 75-year-old business

Research Models & Services (RMS) Overview

- **Global leader in breeding and distribution of research models**
 - Largest selection of the most widely used research model strains in the world
 - Expertise in biosecurity supports production of high-quality models, reducing risk to critical research
 - Sustained by the assurance of animal welfare with 4Rs commitments
- **Global footprint with facilities strategically located in close proximity to clients**
- **Premier provider of services that support the use of research models in discovery/development of new molecules**
 - Genetically Engineered Models & Services (GEMS)
 - Research Animal Diagnostic Services (RADS)
 - Insourcing Solutions (IS), including CRADL™ operations
- **Cell Solutions provides research, clinical, and CGMP-quality human-derived cellular products used in allogeneic (donor-derived) and autologous (patient-derived) cell therapies**

#1 Global RMS Position



Global RMS Market Sector Size: ~\$2B

~1 of 2

Small models sold in Western regions is a CRL research model

Key RMS Growth Drivers

Current Target:
6%-8%
2023-2026E RMS organic revenue CAGR



1

Drive Insourcing Solutions and CRADL™ growth

Expand CRADL™ in additional geographies to ensure regional biohub coverage



2

Target growth in biohubs

Targeted sales strategies aimed at growing biotech and academic markets



3

Continue China expansion

Strong growth with ramping up capacity utilization of the research model production footprint and diversifying the range of services, including CRADL™



4

Enhance digital enterprise

Enhance e-commerce, data personalization, and further digitalization of the client experience



5

Growing focus on cell therapy

Continue to enhance offering around cell therapy and other advanced therapies

Insourcing Solutions and CRADL™ Growth

- **Insourcing Solutions offers clients a variety of flexible solutions**
 - Legacy offering enhances the efficiency of clients' vivarium management
 - CRADL™ offers flexible, turnkey vivarium space at a CRL site supported by our management and technical experts
- **CRADL's™ flexible operational models within our infrastructure are attracting new biopharma clients**
 - Now have more than >30 locations and >400K ft² in 5 states and 3 countries
 - First location opened in Boston/Cambridge biohub in 2015
 - Continue to expand into new biohub regions to drive future growth, including CRADL™ in China
 - Plan to open >10 sites over next 5 years
 - Supports flexible growth of entire life sciences ecosystem in each biohub
 - CRADL™ allows clients to invest in their research programs instead of their infrastructure
 - Unique pathway to connect with clients at earlier stages and leverage access to additional CRL services across our comprehensive discovery and non-clinical development portfolio



cradl
**charles river accelerator
& development lab**

Targeting Growth in Biohubs

Targeted initiatives in key biohubs to capture biotech and academic share gains and growth

Targeted Sales Approach

- Agile commercial structure to access clients around academic/biotech lab spinout phase
 - Example: >240 biotech spun out of 130 academic 'foundation' labs in Massachusetts over last 5 years
- Enhance pull-through across different business units including Discovery Services, Cell Solutions, and C> CDMO

Digital Experience

- Enhanced use of e-commerce to achieve 'persona-centric' digital experiences
- Drive scientific-rich content and client-centric apps to promote market penetration and exposure of biohub clients across multiple businesses

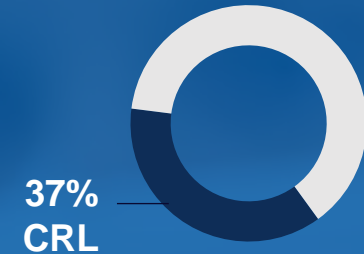
Portfolio Expansion

- Increased capacity and portfolio expansion in GEMS, CRADL™, and immunodeficient models to better support this client base, which is more C> focused

China RMS Growth Drivers

- **RMS China averaged robust, double-digit annual revenue growth since acquired in 2013**
 - Recent expansion focused on R&D hubs central (Wuhan), southern (Shunde), and western (Chengdu) regions
- **Lower, near-term growth expectations for biomedical research in China**
 - Downward trend in capital market activity in China began in 2H22 with sharper drop in 2023, which had impacted mid-tier biopharma/CRO demand
 - Small model and services revenue in China expected to continue to grow at a faster rate than the RMS segment target over the longer term
- **Primary drivers towards long-term goal of greater market penetration in China**
 - Continued ramp-up of capacity at new sites to assure presence in Tier 1 biohubs
 - Synergies with and expansion of adjacent RMS service lines, including additional CRADL™ and GEMS capacity
 - Adopt enhanced automation and digital optimization initiatives in China

CRL China RMS Position (\$)



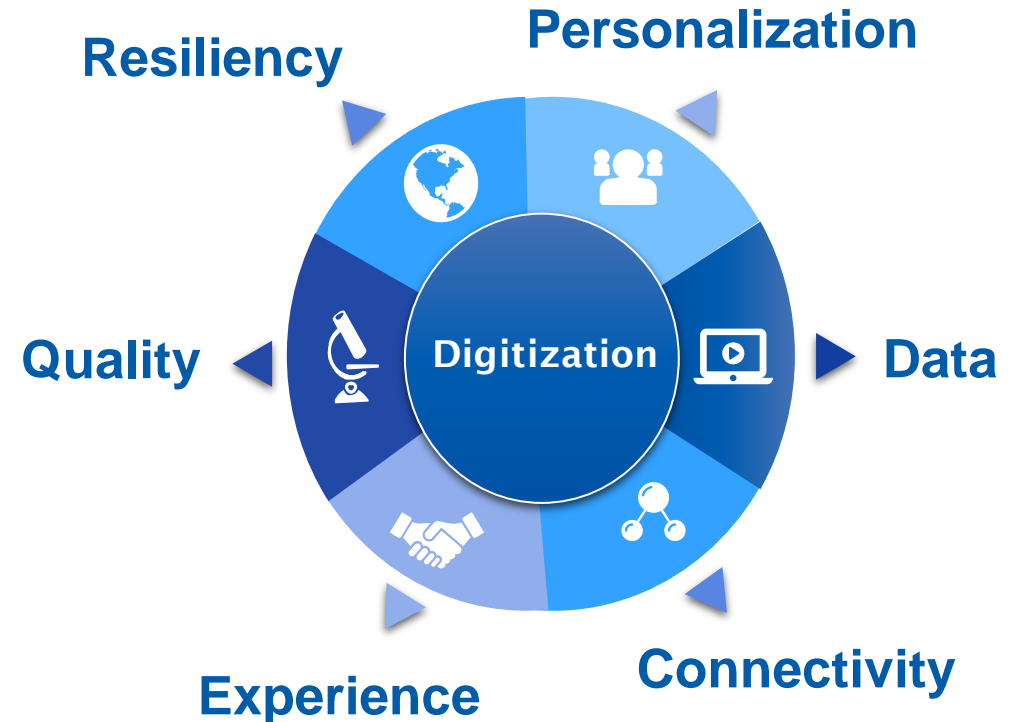
15%+ of RMS revenue

RMS China as a % of RMS segment revenue*

China is CRL's largest research models region by unit volume

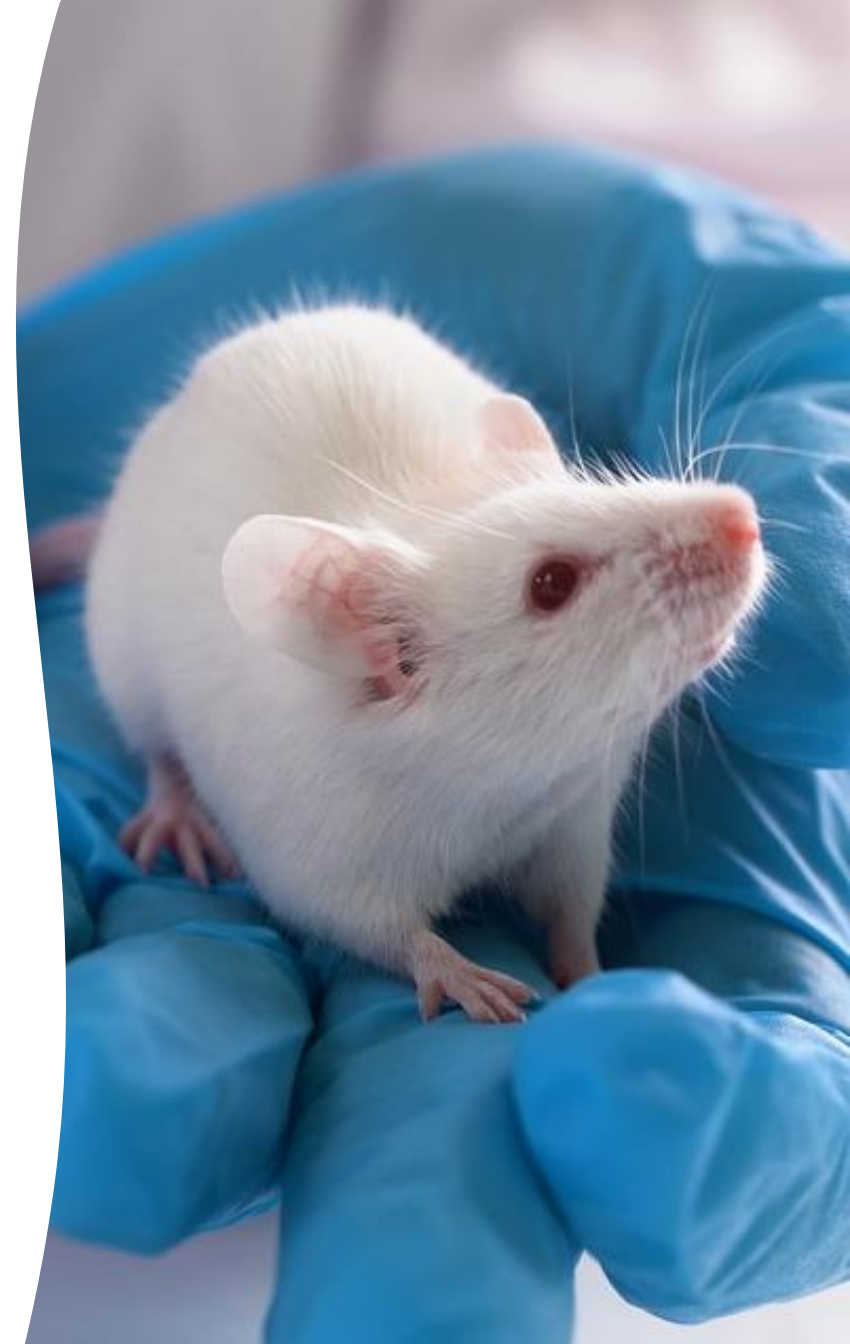
Strong Foundation Enables Client-Focused RMS Digital Experience

- Leveraging enhanced digital footprint to transform the client and user experience
- Focus on elevating operational quality with high data integrity, resilient infrastructure and elimination of manual processes
- Increased speed by managing projects in one integrated platform for more efficient workflow
- Provide clients with real-time, 24-hour access to scientific project data, provision of quotes and order confirmations
- Enabled self-service client capabilities across all areas of RMS portfolio including online ordering for research models
 - Launched RMS e-commerce tools in 2Q23 with >10% of research models orders in North America
 - Almost half of orders processed and confirmed in less than 1 second
 - Rollout underway in Europe



Cell Therapy Growth Spans the RMS Portfolio

- Humanized and super-immunodeficient rodent models are critical for cell therapy development and preclinical safety assessment
 - Many cell therapies are in the area of oncology, e.g. CAR-T therapies
- Strong presence in the key Cambridge and South San Francisco biohubs offering turnkey CRADL™ vivarium space
 - Attracting a range of biopharma companies – small and large
- Additional synergies for CRADL™ from growing biotech clients providing new business opportunities in the GEMS business
 - Additional synergies more broadly across CRL portfolio, particularly in DSA
- Cell Solutions provides materials that are a critical foundation to support cell therapy development process from research through commercialization
- Illustrates the highly bespoke nature of the *in vivo* models that clients use in their R&D programs



Global RMS Strategic Imperatives



Portfolio Expansion

Expand scope of entire RMS portfolio through technology partnerships and other alliances



Operational Efficiency

Excel in operational effectiveness with digital investments, automation, and supply chain management



Gain Share

Win share and drive market penetration with digitalization, e-commerce, by advancing product mix, and portfolio expansion with a focus on biohubs strategy



Innovate to Sustain

Innovate to lead and sustain our market position and client reach with a focus on the 4Rs



Advance Culture

Celebrate our people in their success to develop their skills, build careers, and dedicate to their vocations



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