

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **May 8, 2018**

CRA INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction
of incorporation)

000-24049
(Commission
file number)

04-2372210
(IRS employer
identification no.)

200 Clarendon Street, Boston, Massachusetts
(Address of principal executive offices)

02116
(Zip code)

Registrant's telephone number, including area code: **(617) 425-3000**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 8, 2018, we issued a press release reporting an adjustment to our previously released financial results for our fiscal quarter ended March 31, 2018. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein.

The information contained in Item 2.02 of this report and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Number</u>	<u>Title</u>
99.1	May 8, 2018 earnings press release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRA INTERNATIONAL, INC.

Dated: May 8, 2018

By: /s/ Chad M. Holmes
Chad M. Holmes
Chief Financial Officer, Executive Vice President
and Treasurer

FINAL FOR RELEASE**Contacts:**

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CHARLES RIVER ASSOCIATES (CRA) ANNOUNCES ADJUSTMENT TO PREVIOUSLY RELEASED 2018 FIRST QUARTER FINANCIAL RESULTS TO REFLECT CHANGE TO NON-CASH FORGIVABLE LOAN AMORTIZATION

Reaffirms Financial Guidance for Fiscal 2018

BOSTON, May 8, 2018 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial and management consulting services, today announced an adjustment to its previously released 2018 first quarter financial results to reflect a change to non-cash forgivable loan amortization.

Subsequent to CRA's fiscal 2018 first quarter earnings announcement on April 26, 2018, and prior to filing its Quarterly Report on Form 10-Q, an adjustment associated with the renewal of certain loan arrangements was identified, which increased non-cash forgivable loan amortization in the first quarter of fiscal 2018 by \$1.3 million. As a result of this increase, GAAP and non-GAAP net income, earnings per diluted share and EBITDA decreased by \$0.9 million, \$0.11 per diluted share, and \$1.3 million, respectively, for the quarter.

The increase to forgivable loan amortization has no effect on previously announced quarterly revenue of \$99.5 million and quarter-end cash and cash equivalents of \$10.9 million. Attached to this release are financial schedules for the first quarter of fiscal 2018 that reflect the change to forgivable loan amortization as discussed above.

In addition, the increase to forgivable loan amortization has no effect on the announced differences between financial metrics and their constant currency counterparts. Finally, the increase does not change CRA's guidance for fiscal 2018. To reiterate, on a constant currency basis relative to fiscal 2017, CRA reaffirms its previous guidance of revenue in the range of \$380 million to \$392 million and non-GAAP EBITDA margin in the range of 8.8% to 9.8%.

CRA does not provide reconciliations of its annual non-GAAP EBITDA margin guidance to GAAP net income margin because CRA is unable to estimate with reasonable certainty the revaluation of

contingent consideration liabilities, unusual gains or charges, foreign currency exchange rates, and the resulting effect of these items, and of equity awards, on CRA's taxes without unreasonable effort. These items are uncertain, depend on various factors, and may have a material effect on CRA's results computed in accordance with GAAP.

CRA's Quarterly Report on Form 10-Q for the first quarter of fiscal 2018, which is being filed today with the U.S. Securities and Exchange Commission, will reflect this adjustment.

About Charles River Associates (CRA)

Charles River Associates® is a global consulting firm specializing in economic, financial, and management consulting services. CRA advises clients on economic and financial matters pertaining to litigation and regulatory proceedings, and guides corporations through critical business strategy and performance-related issues. Since 1965, clients have engaged CRA for its unique combination of functional expertise and industry knowledge, and for its objective solutions to complex problems. Headquartered in Boston, CRA has offices throughout the world. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at www.crai.com. Follow us on LinkedIn, Twitter, and Facebook.

NON-GAAP FINANCIAL MEASURES

In this release, CRA has supplemented the presentation of its financial results calculated in accordance with U.S. generally accepted accounting principles or "GAAP" with financial measures that were not calculated in accordance with GAAP. CRA believes that the non-GAAP financial measures described below are important to management and investors because these measures are more indicative of CRA's ongoing operating results and financial condition.

The adjustments made to the financial measures identified as "non-GAAP" are as follows: for all periods presented, CRA has excluded the results of its GNU subsidiary, which sold substantially all of its assets in April 2016, and for the first quarter of fiscal 2018, CRA has also excluded certain charges relating principally to non-cash charges resulting from valuation changes in contingent consideration and to net costs of a lease recapture. This release also presents the non-GAAP financial metric EBITDA. In addition to supplementing its understanding and evaluation of CRA's performance, these non-GAAP measures are used by CRA in its budgeting process, and the non-GAAP adjustments described above are made to the performance criteria for some of CRA's performance-based compensation.

All of the non-GAAP financial measures referred to above should be considered in conjunction with, and not as a substitute for, the GAAP financial information presented in this release. EBITDA and the other historical financial measures identified as "non-GAAP" are reconciled to their GAAP comparable measures in the financial tables appended to the end of this press release. In evaluating these non-GAAP financial measures, note that the non-GAAP financial measures used by CRA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

SAFE HARBOR STATEMENT

Statements in this press release concerning our future business, operating results and financial condition, including those concerning guidance on future revenue and non-GAAP EBITDA margin, are “forward-looking” statements as defined in Section 21 of the Exchange Act. These statements are based upon our current expectations and various underlying assumptions. Although we believe there is a reasonable basis for these statements and assumptions, and these statements are expressed in good faith, these statements are subject to a number of additional factors and uncertainties. Our actual revenue and non-GAAP EBITDA margin in fiscal 2018 on a constant currency basis relative to fiscal 2017 could differ materially from the guidance presented herein due to many important factors. These factors 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; foreign currency 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 or settlements. Additional risks and uncertainties are discussed in our periodic filings with the Securities and Exchange Commission under the heading “Risk Factors.” 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. We undertake no obligation to update any forward-looking statements after the date of this press release, and we do not intend to do so.

CRA INTERNATIONAL, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS

FOR THE QUARTER ENDED MARCH 31, 2018 COMPARED TO THE QUARTER ENDED APRIL 1, 2017

(In thousands, except per share data)

	Quarter Ended March 31, 2018					Quarter Ended April 1, 2017				
	GAAP		Adjustments to GAAP Results (1)	Non-GAAP Results	Non-GAAP % of Revenues	GAAP		Adjustments to GAAP Results (2)	Non-GAAP Results	Non-GAAP % of Revenues
	GAAP Results	% of Revenues				GAAP Results	% of Revenues			
Revenues	\$ 99,476	100.0%	\$ —	\$ 99,476	100.0%	\$ 88,171	100.0%	\$ —	\$ 88,171	100.0%
Cost of services (exclusive of depreciation and amortization)	69,391	69.8%	(107)	69,498	69.9%	62,581	71.0%	—	62,581	71.0%
Selling, general and administrative expenses	21,650	21.8%	555	21,095	21.2%	18,716	21.2%	52	18,664	21.2%
Depreciation and amortization	2,231	2.2%	—	2,231	2.2%	1,963	2.2%	—	1,963	2.2%
Income (loss) from operations	6,204	6.2%	(448)	6,652	6.7%	4,911	5.6%	(52)	4,963	5.6%
Interest and other income (expense), net	(278)	-0.3%	—	(278)	-0.3%	(303)	-0.3%	—	(303)	-0.3%
Income (loss) before provision for income taxes and noncontrolling interest	5,926	6.0%	(448)	6,374	6.4%	4,608	5.2%	(52)	4,660	5.3%
Provision for income taxes	1,040	1.0%	(68)	1,108	1.1%	1,778	2.0%	—	1,778	2.0%
Net income (loss)	4,886	4.9%	(380)	5,266	5.3%	2,830	3.2%	(52)	2,882	3.3%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	23	0.0%	23	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ 4,886	4.9%	\$ (380)	\$ 5,266	5.3%	\$ 2,853	3.2%	\$ (29)	\$ 2,882	3.3%
Net Income per share attributable to CRA International, Inc.:										
Basic	\$ 0.59		\$ 0.63		\$ 0.34		\$ 0.34		\$ 0.34	
Diluted	\$ 0.57		\$ 0.61		\$ 0.33		\$ 0.33		\$ 0.33	
Weighted average number of shares outstanding:										
Basic	8,285		8,285		8,419		8,419		8,419	
Diluted	8,580		8,580		8,621		8,621		8,621	

(1) These adjustments relate principally to valuation changes in contingent consideration and net costs related to a lease recapture.

(2) These adjustments include activity related to GNU123 Liquidating Corporation (“GNU”), formerly known as CRA’s majority owned subsidiary “NeuCo”. In April 2016, substantially all of GNU’s assets were sold.

CRA INTERNATIONAL, INC.

UNAUDITED NON-GAAP EBITDA AND RECONCILIATION TO NET INCOME

FOR THE FISCAL QUARTER ENDED MARCH 31, 2018 COMPARED TO THE FISCAL QUARTER ENDED APRIL 1, 2017

(In thousands)

	Quarter Ended March 31, 2018					Quarter Ended April 1, 2017				
	GAAP		Adjustments to	Non-GAAP		GAAP		Adjustments to	Non-GAAP	
	GAAP	% of Revenues		GAAP Results (1)	Non-GAAP	Revenues	% of		GAAP	% of Revenues
Revenues	\$ 99,476	100.0%	\$ —	\$ 99,476	100.0%	\$ 88,171	100.0%	\$ —	\$ 88,171	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 4,886	4.9%	(380)	\$ 5,266	5.3%	\$ 2,853	3.2%	(29)	\$ 2,882	3.3%
Net loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	(23)	0.0%	(23)	—	0.0%
Net income (loss)	4,886	4.9%	(380)	5,266	5.3%	2,830	3.2%	(52)	2,882	3.3%
Interest expense, net	37	0.0%	—	37	0.0%	112	0.1%	—	112	0.1%
Provision for income taxes	1,040	1.0%	(68)	1,108	1.1%	1,778	2.0%	—	1,778	2.0%
Depreciation and amortization	2,231	2.2%	—	2,231	2.2%	1,963	2.2%	—	1,963	2.2%
EBITDA	\$ 8,194	8.2%	(448)	\$ 8,642	8.7%	\$ 6,683	7.6%	(52)	\$ 6,735	7.6%

(1) These adjustments relate principally to valuation changes in contingent consideration and net costs related to a lease recapture.

(2) These adjustments include activity related to GNU123 Liquidating Corporation (“GNU”), formerly known as CRA’s majority owned subsidiary “NeuCo”. In April 2016, substantially all of GNU’s assets were sold.

CRA INTERNATIONAL, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	March 31, 2018	December 30, 2017
Assets		
Cash and cash equivalents	\$ 10,852	\$ 54,035
Accounts receivable and unbilled, net	120,191	113,333
Other current assets	17,406	16,913
Total current assets	148,449	184,281
Property and equipment, net	46,917	44,643
Goodwill and intangible assets, net	98,408	98,208
Other assets	49,280	34,625
Total assets	\$ 343,054	\$ 361,757
Liabilities and shareholders’ equity		
Current liabilities	\$ 104,272	\$ 121,981
Long-term liabilities	34,507	32,547
Total liabilities	138,779	154,528
Total shareholders’ equity	204,275	207,229
Total liabilities and shareholders’ equity	\$ 343,054	\$ 361,757

CRA INTERNATIONAL, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Quarter Ended March 31, 2018	Quarter Ended April 1, 2017
Operating activities:		
Net income	\$ 4,886	\$ 2,830
Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses:		
Non-cash items, net	5,517	5,221
Accounts receivable and unbilled services	(5,436)	(9,596)
Working capital items, net	(45,506)	(18,826)
Net cash used in operating activities	(40,539)	(20,371)
Investing activities:		
Consideration relating to acquisitions, net	—	(16,163)

Purchases of property and equipment	(3,248)	(823)
Net cash used in investing activities	(3,248)	(16,986)
Financing activities:		
Issuance of common stock, principally stock option exercises	535	1,266
Borrowings under line of credit	10,000	6,000
Tax withholding payments reimbursed by restricted shares	(1,783)	(703)
Cash paid on dividend equivalents	(98)	(24)
Cash dividend paid to shareholders	(1,423)	(1,188)
Repurchases of common stock	(7,230)	—
Net cash provided by financing activities	1	5,351
Effect of foreign exchange rates on cash and cash equivalents	603	295
Net decrease in cash and cash equivalents	(43,183)	(31,711)
Cash and cash equivalents at beginning of period	54,035	53,530
Cash and cash equivalents at end of period	\$ 10,852	\$ 21,819
Noncash investing and financing activities:		
Issuance of common stock for acquired business	\$ —	\$ 3,000
Repurchases of common stock payable	\$ 1,095	\$ —
Purchases of property and equipment not yet paid for	\$ 3,923	\$ 512
Purchases of property and equipment paid by a third party	\$ —	\$ 153
Asset retirement obligations	\$ 223	\$ —
Supplemental cash flow information:		
Cash paid for income taxes	\$ 212	\$ 281
Cash paid for interest	\$ 60	\$ 78