

**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 4, 2017**

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 4, 2017, we issued a press release reporting our financial results for our fiscal quarter ended April 1, 2017. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On May 4, 2017, we also posted on our website supplemental financial information, including prepared CFO remarks. A copy of the supplemental financial information is set forth as Exhibit 99.2 and incorporated by reference herein.

The information contained in Item 2.02 of this report and Exhibits 99.1 and 99.2 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 7.01 Regulation FD Disclosure.

On May 4, 2017, we announced that our board of directors declared a quarterly cash dividend on our common stock of \$0.14 per share to be paid on June 16, 2017 to all shareholders of record as of May 29, 2017. A copy of the press release is set forth as Exhibit 99.3 and is incorporated by reference herein.

The information contained in Item 7.01 of this report and Exhibit 99.3 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 8.01 Other Events.

On May 4, 2017, we announced that our board of directors authorized an expansion to our existing share repurchase program of an additional \$20.0 million of outstanding shares of our common stock.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Number</u>	<u>Title</u>
99.1	May 4, 2017 press release
99.2	Supplemental financial information
99.3	May 4, 2017 dividend press release

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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 4, 2017

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

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Exhibit Index

<u>Number</u>	<u>Title</u>
99.1	May 4, 2017 press release
99.2	Supplemental financial information
99.3	May 4, 2017 dividend press release

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FINAL FOR RELEASE

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**CHARLES RIVER ASSOCIATES (CRA) REPORTS
 RESULTS FOR THE FIRST QUARTER OF 2017**

CRA Drives Growth in Revenue and Profits;

Increases Headcount by 26% Year Over Year While Achieving Companywide Utilization of 72%;

Board Expands Share Repurchase Authorization by \$20 Million

BOSTON, May 4, 2017 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial, and management consulting services, today announced financial results for the fiscal first quarter ended April 1, 2017.

Key First-Quarter Fiscal 2017 Highlights

- GAAP and non-GAAP revenue grew 9.0% and 10.0%, respectively, year over year to \$88.2 million. On a constant currency basis relative to the first quarter of fiscal 2016 (“constant currency basis”), GAAP and non-GAAP revenue would have increased by \$2.1 million, resulting in year-over-year revenue growth of 11.6% and 12.6%, respectively.
- Net income increased 17.7% year over year to \$2.9 million, or 3.2% of revenue, compared with \$2.4 million, or 3.0% of revenue, in the first quarter of fiscal 2016; non-GAAP net income increased 8.4% year over year to \$2.9 million. On a constant currency basis, GAAP and non-GAAP net income would have increased by \$0.4 million, resulting in year-over-year GAAP and non-GAAP net income growth of 37.5% and 22.2%, respectively.
- Earnings per diluted share increased 22.2% year over year to \$0.33; non-GAAP earnings per diluted share increased 10.0% year over year to \$0.33. On a constant currency basis, GAAP and non-GAAP earnings per diluted share would have increased by approximately \$0.05 per diluted share to \$0.38, resulting in year-over-year GAAP and non-GAAP earnings per diluted share growth of 40.7% and 26.7%, respectively.
- Non-GAAP Adjusted EBITDA grew 8.9% year over year to \$13.8 million, or 15.7% of non-GAAP revenue, compared with 15.8% of non-GAAP revenue for the first quarter of fiscal

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2016. On a constant currency basis, non-GAAP Adjusted EBITDA would have increased by \$0.6 million to 15.9% of non-GAAP revenue, resulting in year-over-year non-GAAP Adjusted EBITDA growth of 13.4%.

- First-quarter fiscal 2017 utilization equaled 72% as headcount increased by 128, or 26%, year over year, which includes 84 consultants who joined CRA as part of the C1 transaction.
- On January 31, 2017, CRA announced the acquisition of substantially all of the assets of C1 Consulting, a life sciences strategy consulting firm that helps pharmaceutical and biotech clients maximize their business potential through the development of highly tailored commercialization strategies based on advanced analytics, customer insights, and therapy area expertise.

Management Commentary

“CRA delivered strong results for the first quarter of fiscal 2017, as we continue to successfully execute our strategy to generate broad-based, profitable growth,” said Paul Maleh, CRA’s President and Chief Executive Officer. “I am especially proud of our ability to onboard more than 100 new consultants during the quarter while maintaining a companywide utilization of 72%. Despite incurring continued currency headwinds, these efforts enabled us to achieve high-single-digit revenue growth in the quarter, approximately half of which was organic.”

“We had strong contributions from our Antitrust & Competition Economics, Energy, Life Sciences, and Marakon Practices,” said Maleh. “Within Life Sciences, we are successfully integrating C1 Consulting, and project work is ramping up as expected. We are excited to capitalize on increasing demand for our Life Sciences services with the addition of these new colleagues. In fact, we have already generated a new project that leverages C1’s analytics platform and CRA’s deep market access and pricing experience.”

Outlook and Financial Guidance

“We are encouraged by our recent acquisition of C1 and the positive trends we are seeing in project originations across the firm. For fiscal 2017, on a constant currency basis relative to fiscal 2016, we are reaffirming our previous guidance of non-GAAP revenue in the range of \$350 million to \$360 million, and non-GAAP Adjusted EBITDA margin in the range of 15.8% to 16.6%. This guidance includes the expected contributions from C1 Consulting. While we are pleased with our performance in the first quarter of fiscal 2017, we remain mindful that uncertainties around global

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economic conditions and short-term challenges arising from the integration of newly hired consultants could affect our business,” Maleh concluded.

CRA does not provide reconciliations of its annual non-GAAP revenue and Adjusted EBITDA margin guidance to the GAAP comparable financial measures because CRA is unable to estimate with reasonable certainty the financial results of its former NeuCo subsidiary, now known as GNU123 Liquidating Corporation (“GNU”), the timing and amount of forgivable loans issued for talent acquisition, share-based compensation expense, unusual gains or charges, foreign exchange rates, and the resulting effect of these items 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. A reconciliation between the historical GAAP and non-GAAP financial measures presented in this release is provided in the financial tables at the end of this release.

Share Repurchase Expansion and Quarterly Dividend

CRA also announced today that its Board of Directors has authorized an expanded share repurchase program of an additional \$20.0 million of CRA’s common stock, in addition to the approximately \$9.0 million remaining under its existing share repurchase program. CRA may repurchase shares in the open market or in privately negotiated transactions in accordance with applicable insider trading and other securities laws and regulations. The timing, amount and extent to which CRA repurchases shares will depend upon market conditions and other factors it may consider in its sole discretion.

In connection with this expanded share repurchase program, CRA’s Board of Directors has authorized the Company in its discretion to adopt a Rule 10b5-1 plan covering some or all of these repurchases. Any such plan would allow CRA to repurchase its shares at times when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods.

On May 3, 2017, CRA’s Board of Directors declared a quarterly cash dividend of \$0.14 per common share, payable on June 16, 2017 to shareholders of record as of May 29, 2017. The Company expects to continue paying quarterly dividends, the declaration, timing and amounts of which remain subject to the discretion of CRA’s Board of Directors.

Conference Call Information and Prepared CFO Remarks

CRA will host a conference call this morning at 9:00 a.m. ET to discuss its first-quarter 2017 financial results. To listen to the live call, please visit the “Investor Relations” section of CRA’s

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website at <http://www.crai.com>, or dial (877) 709-8155 or (201) 689-8881. An archived version of the webcast will be available on CRA’s website for one year.

In combination with this press release, CRA has posted prepared remarks by its CFO Chad Holmes under “Conference Call Materials” in the “Investor Relations” section on CRA’s website at <http://www.crai.com>. These remarks are offered to provide the investment community with additional background on CRA’s financial results prior to the start of the conference call.

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 addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, CRA has also provided in this release non-GAAP financial information. CRA believes that the use of non-GAAP measures in addition to GAAP measures is a useful method of evaluating its results of operations. CRA believes that presenting its financial results excluding the results of GNU, certain non-cash and/or non-recurring charges, and the other items identified below, and including presentations of Adjusted EBITDA and comparisons on a constant currency basis, are important to investors and management because they are more indicative of CRA’s ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the results calculated in accordance with GAAP and reconciliations to those results should be carefully evaluated. 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. Specifically, for full-year fiscal 2017 guidance, the first quarter of fiscal 2017 and the first quarter of fiscal 2016, CRA has excluded GNU’s results. Also, in calculating “Adjusted EBITDA” from net income (loss) attributable to CRA for these fiscal periods and for

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purposes of the full-year fiscal 2017 guidance for Adjusted EBITDA margin, CRA has excluded net income (loss) attributable to noncontrolling interests (net of tax); interest expense, net; provision for income taxes; goodwill impairment charges; other income (expense), net; and the following non-cash expenses: depreciation and amortization, share-based compensation expenses, and amortization of forgivable loans.

Finally, CRA believes that fluctuations in foreign currency exchange rates can significantly affect its financial results. Therefore, CRA provides a constant currency presentation to supplement disclosures regarding its results of operations and performance. CRA calculates constant currency amounts by converting its applicable fiscal period local currency financial results using the prior fiscal year’s corresponding period exchange rates. CRA has presented in this press release its GAAP and non-GAAP revenue, net income, earnings per diluted share, and Adjusted EBITDA, for the first quarter of fiscal 2017 on a constant currency basis relative to the first quarter of fiscal 2016, and its guidance for full-year fiscal 2017 non-GAAP revenue and Adjusted EBITDA margin on a constant currency basis relative to fiscal 2016.

SAFE HARBOR STATEMENT

Statements in this press release concerning our future business, operating results and financial condition, including those concerning guidance on future non-GAAP revenue and non-GAAP Adjusted EBITDA margin, our capitalizing on the demand for our services, the implied continuation of any current strategy or trend, or our expectations regarding the payment of future quarterly dividends, and statements using the terms “expect” or similar expressions, 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 non-GAAP revenue and non-GAAP Adjusted EBITDA margin in fiscal 2017 on a constant currency basis relative to fiscal 2016 could differ materially from the guidance presented herein, and our actual performance and results may differ materially from the performance and results contained or implied by the other forward-looking statements made 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

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consultants and personnel; the decline or reduction in project work or activity; global economic conditions including less stable political and economic environments; foreign exchange rate fluctuations; unanticipated expenses and liabilities; risks inherent in international operations; changes in accounting standards, rules, and regulations; our ability to collect on forgivable loans should any become due; and professional and other legal liability. 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.

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CRA INTERNATIONAL, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS
FOR THE QUARTER ENDED APRIL 1, 2017 COMPARED TO THE QUARTER ENDED APRIL 2, 2016
(In thousands, except per share data)

	Quarter Ended April 1, 2017					Quarter Ended April 2, 2016				
	GAAP		Adjustments to	Non-GAAP		GAAP		Adjustments to	Non-GAAP	
	GAAP Results	% of Revenues	GAAP Results (GNU) (1)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (GNU) (1)	Non-GAAP Results	% of Revenues
Revenues	\$ 88,171	100.0%	\$ —	\$ 88,171	100.0%	\$ 80,912	100.0%	\$ 737	\$ 80,175	100.0%
Costs of services	62,581	71.0%	—	62,581	71.0%	55,515	68.6%	328	55,187	68.8%
Gross profit	25,590	29.0%	—	25,590	29.0%	25,397	31.4%	409	24,988	31.2%
Selling, general and administrative expenses	18,716	21.2%	52	18,664	21.2%	19,221	23.8%	822	18,399	22.9%
Depreciation and amortization	1,963	2.2%	—	1,963	2.2%	1,850	2.3%	—	1,850	2.3%
Income (loss) from operations	4,911	5.6%	(52)	4,963	5.6%	4,326	5.3%	(413)	4,739	5.9%
Interest and other expense, net	(303)	-0.3%	—	(303)	-0.3%	(141)	-0.2%	(7)	(134)	-0.2%
Income (loss) before provision for income taxes and noncontrolling interest	4,608	5.2%	(52)	4,660	5.3%	4,185	5.2%	(420)	4,605	5.7%
Provision for income taxes	(1,778)	-2.0%	—	(1,778)	-2.0%	(1,946)	-2.4%	—	(1,946)	-2.4%
Net income (loss)	2,830	3.2%	(52)	2,882	3.3%	2,239	2.8%	(420)	2,659	3.3%
Net loss attributable to noncontrolling interests, net of tax	23	0.0%	23	—	0.0%	184	0.2%	184	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ 2,853	3.2%	\$ (29)	\$ 2,882	3.3%	\$ 2,423	3.0%	\$ (236)	\$ 2,659	3.3%
Net Income per share attributable to CRA International, Inc.:										
Basic	\$ 0.34			\$ 0.34		\$ 0.27			\$ 0.30	
Diluted	\$ 0.33			\$ 0.33		\$ 0.27			\$ 0.30	
Weighted average number of shares outstanding:										
Basic	8,419			8,419		8,871			8,871	
Diluted	8,621			8,621		8,927			8,927	

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

CRA INTERNATIONAL, INC.
UNAUDITED ADJUSTED EBITDA INCLUDING A RECONCILIATION TO NON-GAAP ADJUSTED EBITDA
FOR THE FISCAL QUARTER ENDED APRIL 1, 2017 COMPARED TO THE FISCAL QUARTER ENDED APRIL 2, 2016
(In thousands)

	GAAP Quarter Ended April 1, 2017	GAAP % of Revenues	Adjustments to GAAP Results (GNU) (1)	Non-GAAP Quarter Ended April 1, 2017	Non- GAAP % of Revenues	GAAP Quarter Ended April 2, 2016	GAAP % of Revenues	Adjustments to GAAP Results (GNU) (1)	Non-GAAP Quarter Ended April 2, 2016	Non- GAAP % of Revenues
Revenues	\$ 88,171	100.0%	\$ —	\$ 88,171	100.0%	\$ 80,912	100.0%	\$ 737	\$ 80,175	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 2,853	3.2%	\$ (29)	\$ 2,882	3.3%	\$ 2,423	3.0%	\$ (236)	\$ 2,659	3.3%
Net loss attributable to noncontrolling interests, net of tax	(23)	0.0%	(23)	—	0.0%	(184)	-0.2%	(184)	—	0.0%
Net income (loss)	2,830	3.2%	(52)	2,882	3.3%	2,239	2.8%	(420)	2,659	3.3%
Interest expense, net	112	0.1%	—	112	0.1%	107	0.1%	7	100	0.1%
Provision for income taxes	1,778	2.0%	—	1,778	2.0%	1,946	2.4%	—	1,946	2.4%
Depreciation and amortization	1,963	2.2%	—	1,963	2.2%	1,850	2.3%	—	1,850	2.3%
EBITDA	6,683	7.6%	(52)	6,735	7.6%	6,142	7.6%	(413)	6,555	8.2%
Share-based compensation expenses	1,653	1.9%	—	1,653	1.9%	1,649	2.0%	—	1,649	2.1%
Amortization of forgivable loans	5,243	5.9%	—	5,243	5.9%	4,454	5.5%	—	4,454	5.6%
Other expense, net	191	0.2%	—	191	0.2%	34	0.0%	—	34	0.0%
Adjusted EBITDA	\$ 13,770	15.6%	\$ (52)	\$ 13,822	15.7%	\$ 12,279	15.2%	\$ (413)	\$ 12,692	15.8%

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

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

	April 1, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 21,819	\$ 53,530
Accounts receivable and unbilled, net	104,604	91,789
Other current assets	23,666	25,192
Total current assets	150,089	170,511
Property and equipment, net	36,246	36,381
Goodwill and intangible assets, net	98,890	77,449
Other assets	36,995	39,301
Total assets	\$ 322,220	\$ 323,642
Liabilities and shareholders’ equity		
Current liabilities	\$ 81,794	\$ 94,100
Long-term liabilities	25,119	21,659
Total liabilities	106,913	115,759
Total shareholders’ equity	215,307	207,883
Total liabilities and shareholders’ equity	\$ 322,220	\$ 323,642

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

Quarter Ended Quarter Ended

	April 1, 2017	April 2, 2016
Operating activities:		
Net income	\$ 2,830	\$ 2,239
Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses:		
Non-cash items, net	5,221	6,387
Accounts receivable and unbilled services	(9,596)	(2,941)
Working capital items, net	(18,826)	(15,645)
Net cash used in operating activities	(20,371)	(9,960)
Investing activities:		
Consideration relating to acquisitions, net	(16,163)	—
Purchase of property and equipment	(823)	(5,073)
Net cash used in investing activities	(16,986)	(5,073)
Financing activities:		
Issuance of common stock, principally stock option exercises	1,266	—
Payments on notes payable	—	(75)
Borrowings under line of credit	6,000	—
Cash paid on dividend equivalents	(24)	—
Cash dividend paid to shareholders	(1,188)	—
Excess tax benefits from share based compensation	—	32
Tax withholding payments reimbursed by restricted shares	(703)	(490)
Repurchase of common stock	—	(296)
Net cash provided by (used in) financing activities	5,351	(829)
Effect of foreign exchange rates on cash and cash equivalents	295	304
Net decrease in cash and cash equivalents	(31,711)	(15,558)
Cash and cash equivalents at beginning of period	53,530	38,139
Cash and cash equivalents at end of period	\$ 21,819	\$ 22,581
Noncash investing and financing activities:		
Issuance of common stock for acquired business	\$ 3,000	\$ —
Purchases of property and equipment not yet paid for	\$ 512	\$ 2,022
Purchases of property and equipment paid by a third party	\$ 153	\$ —
Supplemental cash flow information:		
Cash paid for income taxes	\$ 281	\$ 281
Cash paid for interest	\$ 78	\$ 155

FINAL FOR RELEASE



**CHARLES RIVER ASSOCIATES (CRA)
FIRST-QUARTER FISCAL YEAR 2017
EARNINGS ANNOUNCEMENT
PREPARED CFO REMARKS**

CRA is providing these prepared remarks by CFO Chad Holmes in combination with its press release. These remarks are offered to provide the investment community with additional information on CRA's financial results prior to the start of the conference call.

As previously announced, the conference call will be held May 4, 2017 at 9:00 a.m. ET. These prepared remarks will not be read on the call.

Q1 Fiscal 2017 Summary (Quarter ended April 1, 2017)

- Revenue and non-GAAP revenue: \$88.2 million
- Net income: \$2.9 million, or 3.2% of revenue; Non-GAAP net income: \$2.9 million, or 3.3% of revenue
- Earnings per diluted share and non-GAAP earnings per diluted share: \$0.33
- Operating margin and non-GAAP operating margin: 5.6%
- Effective tax rate: 38.6%; Non-GAAP effective tax rate: 38.2%
- Utilization: 72%
- Cash and cash equivalents: \$21.8 million at April 1, 2017
- Non-GAAP Adjusted EBITDA: \$13.8 million, or 15.7% of non-GAAP revenue
- Consultant headcount at the end of Q1 of fiscal 2017: 627, which consisted of 126 officers, 340 other senior staff, and 161 junior staff

Revenue

Revenue was \$88.2 million for Q1 of fiscal 2017, compared with revenue of \$80.9 million for Q1 of fiscal 2016. Revenue for Q1 of fiscal 2017 included zero contribution from GNU (our subsidiary formerly known as "NeuCo"). Revenue for Q1 of fiscal 2016 included \$0.7 million from GNU. Non-GAAP revenue was \$88.2 million for Q1 of fiscal 2017, compared with non-GAAP revenue of \$80.2 million for Q1 of fiscal 2016.

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Headcount

The following table outlines our consultant headcount at the end of the stated quarters:

	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Officers	126	119	115	117	118
Other Senior Staff	340	270	270	254	261
Junior Staff	161	151	156	122	120
Total	627	540	541	493	499

Utilization

Companywide utilization in Q1 of fiscal 2017 was 72%, compared with 75% in Q1 of fiscal 2016.

Gross Margin

Gross margin in Q1 of fiscal 2017 was 29.0%, compared with 31.4% in Q1 of fiscal 2016. Non-GAAP gross margin in Q1 of fiscal 2017 was 29.0%, compared with 31.2% in Q1 of fiscal 2016. Client reimbursable expenses, on a GAAP and non-GAAP basis, were 10.4% of revenue in Q1 of fiscal 2017, compared with 9.9% of revenue on a GAAP basis and 10.0% on a non-GAAP basis in Q1 of fiscal 2016.

SG&A Expenses

For Q1 of fiscal 2017, SG&A expenses were \$18.7 million, or 21.2% of revenue, compared with SG&A expenses of \$19.2 million, or 23.8% of revenue, in Q1 of fiscal 2016. Non-GAAP SG&A expenses were \$18.7 million, or 21.2% of non-GAAP revenue, in Q1 of fiscal 2017, compared with \$18.4 million, or 22.9% of non-GAAP revenue, in Q1 of fiscal 2016.

Commissions to non-employee experts are included in SG&A. On a GAAP and non-GAAP basis, these commissions represented 3.1% of revenue in Q1 of fiscal 2017 and 3.9% and 4.0% on a GAAP and non-GAAP basis, respectively, for Q1 of fiscal 2016. Excluding these commissions, non-GAAP SG&A expenses were 18.1% of non-GAAP revenue in Q1 of fiscal 2017 and 19.0% of non-GAAP revenue in Q1 of fiscal 2016.

Depreciation & Amortization

On a GAAP and non-GAAP basis, depreciation and amortization expense was \$2.0 million for Q1 of fiscal 2017, compared with \$1.9 million for Q1 of fiscal 2016.

Share-Based Compensation Expense

On a GAAP and non-GAAP basis, share-based compensation expense was \$1.7 million for Q1 of fiscal 2017, compared with \$1.6 million for Q1 of fiscal 2016. This equates to 1.9% of both GAAP and non-GAAP revenue in Q1 of fiscal 2017, compared with 2.0% and 2.1% of GAAP and non-GAAP revenue, respectively, in Q1 of fiscal 2016.

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Operating Income

Operating income was \$4.9 million, or 5.6% of revenue, in Q1 of fiscal 2017, compared with operating income of \$4.3 million, or 5.3% of revenue, in Q1 of fiscal 2016. Non-GAAP operating income was \$5.0 million, or 5.6% of non-GAAP revenue, for Q1 of fiscal 2017, compared with \$4.7 million, or 5.9% of non-GAAP revenue, for Q1 of fiscal 2016.

Interest and Other Expense, net

In Q1 of fiscal 2017, interest and other expense was \$303,000 on both a GAAP and non-GAAP basis. This compares with interest and other expense of \$141,000 on a GAAP basis and \$134,000 on a non-GAAP basis for Q1 of fiscal 2016.

Income Taxes

The following table outlines our income tax provision recorded and the resulting effective tax rates (in \$000):

	GAAP		NON-GAAP	
	Q1		Q1	
	2017	2016	2017	2016
Tax Provision	\$ 1,778	\$ 1,946	\$ 1,778	\$ 1,946
Effective Tax Rate	38.6%	46.5%	38.2%	42.3%

Net Income

Net income for Q1 of fiscal 2017 was \$2.9 million, or 3.2% of revenue, or \$0.33 per diluted share, compared with net income of \$2.4 million, or 3.0% of revenue, or \$0.27 per diluted share, for Q1 of fiscal 2016. Non-GAAP net income for Q1 of fiscal 2017 was \$2.9 million, or 3.3% of non-GAAP revenue, or \$0.33 per diluted share, compared with \$2.7 million, or 3.3% of non-GAAP revenue, or \$0.30 per diluted share, for Q1 of fiscal 2016.

Non-GAAP Adjusted EBITDA

Non-GAAP Adjusted EBITDA for Q1 of fiscal 2017 was \$13.8 million, or 15.7% of non-GAAP revenue, compared with \$12.7 million, or 15.8% of non-GAAP revenue, for Q1 of fiscal 2016.

See the exhibit to CRA's press release and the information provided below under the heading "Non-GAAP Financial Measures" for more details regarding the calculation of non-GAAP Adjusted EBITDA.

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Constant Currency Basis

On a constant currency basis relative to Q1 of fiscal 2016, Q1 of fiscal 2017 GAAP and non-GAAP revenue would have increased by \$2.1 million to \$90.3 million; GAAP and non-GAAP net income would have increased by \$0.4 million to \$3.3 million, or 3.7% of revenue, or by approximately \$0.05 per diluted share to \$0.38 per diluted share; and Q1 of fiscal 2017 non-GAAP Adjusted EBITDA would have increased by \$0.6 million to \$14.4 million, or 15.9% of non-GAAP revenue.

A description of the process for calculating the measures presented on a constant currency basis is contained under the heading "Non-GAAP Financial Measures" below.

Key Balance Sheet Metrics

Billed and unbilled receivables at April 1, 2017 were \$104.6 million, compared with \$88.8 million at April 2, 2016. Current liabilities at April 1, 2017 were \$81.8 million, compared with \$65.8 million at April 2, 2016.

Total DSO in Q1 of fiscal 2017 were 104 days, consisting of 63 days of billed and 41 days of unbilled. This compares with 98 days we reported in Q1 of fiscal 2016, consisting of 59 days of billed and 39 days of unbilled. Total DSO in Q4 of fiscal 2016 were 102 days, consisting of 73 days of billed and 29 days of unbilled.

Cash and Cash Flow

Cash and cash equivalents were \$21.8 million at April 1, 2017 compared with \$22.6 million at April 2, 2016.

Capital expenditures totaled \$0.8 million in Q1 of fiscal 2017, compared with \$5.1 million in Q1 of fiscal 2016.

During Q1 fiscal 2017 and Q1 fiscal 2016, no shares of common stock were repurchased under the share repurchase program.

In Q1 fiscal 2017 we borrowed on our line of credit in the amount of \$6.0 million.

NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, CRA has also provided in these remarks and accompanying financial tables non-GAAP financial information. CRA believes that the use of non-GAAP measures in addition to GAAP measures is a useful method of evaluating its results of operations. CRA believes that presenting its financial results excluding the results of GNU123 Liquidating Corporation ("GNU") formerly known as "NeuCo," certain non-cash and/or non-recurring charges, and the other items identified below, and including presentations of Adjusted EBITDA and comparisons on a constant currency basis, is important to investors and management because they are more

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indicative of CRA's ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the results calculated in accordance with GAAP and reconciliations to those results should be carefully evaluated. 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. Specifically, for the first quarter of fiscal 2017 and the first quarter of fiscal 2016, CRA has excluded GNU's results. Also, in calculating "Adjusted EBITDA" from net income (loss) attributable to CRA for these fiscal periods, CRA has excluded net income (loss) attributable to noncontrolling interests (net of tax); interest expense, net; provision for income taxes; goodwill impairment charges; other income (expense), net; and the following non-cash expenses: depreciation and amortization, share-based compensation expenses, and amortization of forgivable loans.

Finally, CRA also believes that fluctuations in foreign currency exchange rates can significantly affect its financial results. Therefore, CRA provides a constant currency presentation to supplement disclosures regarding its results of operations and performance. CRA calculates constant currency amounts by converting its applicable fiscal period local currency financial results using the prior fiscal year's corresponding period exchange rates. CRA has presented in these remarks its GAAP and non-GAAP revenue, net income, net income margin, and earnings per diluted share, and its Adjusted EBITDA and Adjusted EBITDA margin for the first quarter of fiscal 2017 on a constant currency basis relative to the first quarter of fiscal 2016.

A reconciliation between the historical GAAP and non-GAAP financial measures presented in these remarks is provided in CRA's first-quarter fiscal 2017 press release posted to CRA's website at <http://www.crai.com> and in the financial tables below.

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CRA INTERNATIONAL, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS
FOR THE QUARTER ENDED APRIL 1, 2017 COMPARED TO THE QUARTER ENDED APRIL 2, 2016
(In thousands, except per share data)

	Quarter Ended April 1, 2017					Quarter Ended April 2, 2016				
	GAAP Results	% of Revenues	Adjustments to GAAP Results (GNU) (1)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	Adjustments to GAAP Results (GNU) (1)	Non-GAAP Results	% of Revenues
Revenues	\$ 88,171	100.0%	\$ —	\$ 88,171	100.0%	\$ 80,912	100.0%	\$ 737	\$ 80,175	100.0%
Costs of services	62,581	71.0%	—	62,581	71.0%	55,515	68.6%	328	55,187	68.8%
Gross profit	25,590	29.0%	—	25,590	29.0%	25,397	31.4%	409	24,988	31.2%
Selling, general and administrative expenses	18,716	21.2%	52	18,664	21.2%	19,221	23.8%	822	18,399	22.9%
Depreciation and amortization	1,963	2.2%	—	1,963	2.2%	1,850	2.3%	—	1,850	2.3%
Income (loss) from operations	4,911	5.6%	(52)	4,963	5.6%	4,326	5.3%	(413)	4,739	5.9%
Interest and other expense, net	(303)	-0.3%	—	(303)	-0.3%	(141)	-0.2%	(7)	(134)	-0.2%
Income (loss) before provision for income taxes and noncontrolling interest	4,608	5.2%	(52)	4,660	5.3%	4,185	5.2%	(420)	4,605	5.7%
Provision for income taxes	(1,778)	-2.0%	—	(1,778)	-2.0%	(1,946)	-2.4%	—	(1,946)	-2.4%
Net income (loss)	2,830	3.2%	(52)	2,882	3.3%	2,239	2.8%	(420)	2,659	3.3%
Net loss attributable to noncontrolling interests, net of tax	23	0.0%	23	—	0.0%	184	0.2%	184	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ 2,853	3.2%	\$ (29)	\$ 2,882	3.3%	\$ 2,423	3.0%	\$ (236)	\$ 2,659	3.3%

Net Income per share attributable to
CRA International, Inc.:

Basic	\$ 0.34	\$ 0.34	\$ 0.27	\$ 0.30
Diluted	\$ 0.33	\$ 0.33	\$ 0.27	\$ 0.30

Weighted average number of shares
outstanding:

Basic	8,419	8,419	8,871	8,871
Diluted	8,621	8,621	8,927	8,927

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

CRA INTERNATIONAL, INC.
UNAUDITED ADJUSTED EBITDA INCLUDING A RECONCILIATION TO NON-GAAP ADJUSTED EBITDA
FOR THE FISCAL QUARTER ENDED APRIL 1, 2017 COMPARED TO THE FISCAL QUARTER ENDED APRIL 2, 2016
(In thousands)

	GAAP Quarter Ended April 1, 2017	GAAP % of Revenues	Adjustments to GAAP Results (GNU) (1)	Non-GAAP Quarter Ended April 1, 2017	Non- GAAP % of Revenues	GAAP Quarter Ended April 2, 2016	GAAP % of Revenues	Adjustments to GAAP Results (GNU) (1)	Non-GAAP Quarter Ended April 2, 2016	Non- GAAP % of Revenues
Revenues	\$ 88,171	100.0%	\$ —	\$ 88,171	100.0%	\$ 80,912	100.0%	\$ 737	\$ 80,175	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 2,853	3.2%	\$ (29)	\$ 2,882	3.3%	\$ 2,423	3.0%	\$ (236)	\$ 2,659	3.3%
Net loss attributable to noncontrolling interests, net of tax	(23)	0.0%	(23)	—	0.0%	(184)	-0.2%	(184)	—	0.0%
Net income (loss)	2,830	3.2%	(52)	2,882	3.3%	2,239	2.8%	(420)	2,659	3.3%
Interest expense, net	112	0.1%	—	112	0.1%	107	0.1%	7	100	0.1%
Provision for income taxes	1,778	2.0%	—	1,778	2.0%	1,946	2.4%	—	1,946	2.4%
Depreciation and amortization	1,963	2.2%	—	1,963	2.2%	1,850	2.3%	—	1,850	2.3%
EBITDA	6,683	7.6%	(52)	6,735	7.6%	6,142	7.6%	(413)	6,555	8.2%
Share-based compensation expenses	1,653	1.9%	—	1,653	1.9%	1,649	2.0%	—	1,649	2.1%
Amortization of forgivable loans	5,243	5.9%	—	5,243	5.9%	4,454	5.5%	—	4,454	5.6%
Other expense, net	191	0.2%	—	191	0.2%	34	0.0%	—	34	0.0%
Adjusted EBITDA	\$ 13,770	15.6%	\$ (52)	\$ 13,822	15.7%	\$ 12,279	15.2%	\$ (413)	\$ 12,692	15.8%

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

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

	April 1, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 21,819	\$ 53,530
Accounts receivable and unbilled, net	104,604	91,789
Other current assets	23,666	25,192
Total current assets	150,089	170,511
Property and equipment, net	36,246	36,381
Goodwill and intangible assets, net	98,890	77,449
Other assets	36,995	39,301
Total assets	\$ 322,220	\$ 323,642
Liabilities and shareholders’ equity		
Current liabilities	\$ 81,794	\$ 94,100

Long-term liabilities	25,119	21,659
Total liabilities	106,913	115,759
Total shareholders' equity	215,307	207,883
Total liabilities and shareholders' equity	\$ 322,220	\$ 323,642

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

	<u>Quarter Ended</u> <u>April 1,</u> <u>2017</u>	<u>Quarter Ended</u> <u>April 2,</u> <u>2016</u>
Operating activities:		
Net income	\$ 2,830	\$ 2,239
Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses:		
Non-cash items, net	5,221	6,387
Accounts receivable and unbilled services	(9,596)	(2,941)
Working capital items, net	(18,826)	(15,645)
Net cash used in operating activities	(20,371)	(9,960)
Investing activities:		
Consideration relating to acquisitions, net	(16,163)	—
Purchase of property and equipment	(823)	(5,073)
Net cash used in investing activities	(16,986)	(5,073)
Financing activities:		
Issuance of common stock, principally stock option exercises	1,266	—
Payments on notes payable	—	(75)
Borrowings under line of credit	6,000	—
Cash paid on dividend equivalents	(24)	—
Cash dividend paid to shareholders	(1,188)	—
Excess tax benefits from share based compensation	—	32
Tax withholding payments reimbursed by restricted shares	(703)	(490)
Repurchase of common stock	—	(296)
Net cash provided by (used in) financing activities	5,351	(829)
Effect of foreign exchange rates on cash and cash equivalents	295	304
Net decrease in cash and cash equivalents	(31,711)	(15,558)
Cash and cash equivalents at beginning of period	53,530	38,139
Cash and cash equivalents at end of period	\$ 21,819	\$ 22,581
Noncash investing and financing activities:		
Issuance of common stock for acquired business	\$ 3,000	\$ —
Purchases of property and equipment not yet paid for	\$ 512	\$ 2,022
Purchases of property and equipment paid by a third party	\$ 153	\$ —
Supplemental cash flow information:		
Cash paid for income taxes	\$ 281	\$ 281
Cash paid for interest	\$ 78	\$ 155

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CHARLES RIVER ASSOCIATES (CRA) DECLARES REGULAR QUARTERLY DIVIDEND

BOSTON, May 4, 2017 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial, and management consulting services, today announced that its Board of Directors has declared a quarterly cash dividend of \$0.14 per share to be paid on June 16, 2017 to shareholders of record of CRA's common stock as of the close of business on May 29, 2017. The Company expects to continue paying quarterly dividends, the declaration, timing and amounts of which remain subject to the discretion of CRA's Board of Directors.

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.

SAFE HARBOR STATEMENT

Statements in this press release concerning our expectations regarding the payment of future quarterly dividends 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. Factors that could affect the determination as to whether we declare cash dividends in any future quarter include, but are not limited to, the loss of key employee consultants

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or non-employee experts; their failure to generate engagements for us; our inability to attract, hire or retain qualified consultants, or to integrate and utilize existing consultants and personnel; the unpredictable nature and risk of litigation-related projects; dependence on the growth of our management consulting practice; the change in demand for our services; the potential loss of clients; changes in the law that affect our practice areas; global economic conditions including less stable political and economic environments; civil disturbances or other catastrophic events that reduce business activity; foreign exchange rate fluctuations; intense competition; our attributable annual cost savings; changes in our effective tax rate; integration and generation of existing and new clients; unanticipated expenses and liabilities; risks associated with acquisitions (past, present, and future); risks inherent in international operations; integration and management of new and existing offices; the ability of clients to terminate engagements with us on short notice; our ability to collect on forgivable loans should any become due; general economic conditions; and professional and other legal liability. Further information on these and other potential factors that could affect our future business, operating results, and financial condition is included in our periodic filings with the Securities and Exchange Commission, including risks under the heading “Risk Factors.” We cannot guarantee any future results, levels of activity, performance, or achievement. 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.

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