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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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**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): March 3, 2022

**CRA INTERNATIONAL, INC.**

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(Exact name of registrant as specified in its charter)

Massachusetts	000-24049	04-2372210
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS employer identification no.)

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200 Clarendon Street    Boston,    Massachusetts	02116
(Address of principal executive offices)	(Zip code)

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

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(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, no par value	CRAI	Nasdaq Global Select Market

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.

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## **Item 2.02 Results of Operations and Financial Condition.**

On March 3, 2022, we issued a press release reporting our financial results for our fiscal quarter ended January 1, 2022. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On March 3, 2022, 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 March 3, 2022, we announced that our board of directors declared a quarterly cash dividend on our common stock of \$0.31 per share to be paid on March 25, 2022 to all shareholders of record as of March 15, 2022. 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 9.01 Financial Statements and Exhibits.**

### (d) Exhibits

<u>Number</u>	<u>Title</u>
<a href="#">99.1</a>	<a href="#">March 3, 2022 earnings press release</a>
<a href="#">99.2</a>	<a href="#">Supplemental financial information (prepared CFO remarks)</a>
<a href="#">99.3</a>	<a href="#">March 3, 2022 dividend press release</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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: March 3, 2022

By: /s/ DANIEL K. MAHONEY

Daniel K. Mahoney

Chief Financial Officer, Executive Vice President and Treasurer

*Contacts:*

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**CHARLES RIVER ASSOCIATES (CRA) REPORTS  
 FOURTH-QUARTER AND FULL-YEAR 2021 FINANCIAL RESULTS**

*Broad-based Contributions Drive Record Revenue and Profits in Fiscal 2021*

BOSTON, March 3, 2022 – Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial and management consulting services, today announced financial results for the fiscal year ended January 1, 2022.

“CRA’s fiscal 2021 topped a record-setting fiscal 2020 as revenue increased year over year by 11.3%,” said Paul Maleh, CRA’s President and Chief Executive Officer. “For the quarter, reported revenue declined 1.9% compared with the fourth quarter of fiscal 2020, which had one more operating week than in 2021. After making a one-week, pro-rata adjustment to the fourth quarter of fiscal 2020, revenue increased 5.6% year over year. Our Antitrust & Competition Economics, Energy and Risk, Investigations & Analytics practices led the way with double-digit revenue growth relative to the fourth quarter of fiscal 2020. CRA continued its strong operating performance by converting its revenue into profits at an accelerating pace, with net income, earnings per diluted share and EBITDA all growing faster than revenue.”

**Highlights for Fourth-Quarter Fiscal 2021  
 (Q4 2021 contained 13 weeks, compared with 14 weeks in Q4 2020)**

- Revenue declined 1.9% year over year to \$134.8 million.
- Utilization was 72%, and quarter-end headcount increased 3.6% year over year.
- Net income increased 29.3% year over year to \$8.7 million, or 6.4% of revenue, compared with \$6.7 million, or 4.9% of revenue, in the fourth quarter of fiscal 2020; non-GAAP net income increased 15.0% year over year to \$8.7 million, or 6.4% of revenue, compared with \$7.5 million, or 5.5% of revenue, in the fourth quarter of fiscal 2020.
- Earnings per diluted share increased 34.1% year over year to \$1.14; non-GAAP earnings per diluted share increased 20.0% year over year to \$1.14.
- Non-GAAP EBITDA increased 9.1% to \$15.2 million, or 11.3% of revenue, compared with \$14.0 million, or 10.2% of revenue, in the fourth quarter of fiscal 2020.
- On a constant currency basis relative to the fourth quarter of fiscal 2020, revenue would have been lower by \$0.4 million, while GAAP and non-GAAP net income would have been lower by \$0.1 million. GAAP earnings per diluted share, non-GAAP earnings per diluted share, and non-GAAP EBITDA would have remained unchanged.
- CRA returned \$7.4 million of capital to its shareholders, consisting of \$2.4 million of dividend payments and \$5.0 million for share repurchases of approximately 51,000 shares.

**Highlights for Full-Year Fiscal 2021  
 (Fiscal 2021 contained 52 weeks, compared with 53 weeks in fiscal 2020)**

- Revenue grew 11.3% year over year to \$565.9 million with company-wide utilization of 74%.
- GAAP net income increased 70.1% year over year to \$41.7 million, or 7.4% of revenue, or \$5.45 per diluted share, compared with \$24.5 million, or 4.8% of revenue, or \$3.07 per diluted share for the full year fiscal 2020. Non-GAAP net income increased 57.0% year over year to \$42.0 million, or 7.4% of revenue, or \$5.49 per diluted share, compared with \$26.7 million, or 5.3% of revenue, or \$3.35 per diluted share for the full year fiscal 2020.
- Non-GAAP EBITDA grew 34.8% to \$68.4 million, or 12.1% of revenue, compared with \$50.7 million, or 10.0% of revenue, in fiscal 2020.
- On a constant currency basis relative to fiscal 2020, revenue, GAAP net income, and earnings per diluted share would have been lower by \$6.4 million, \$0.5 million, and \$0.06 per diluted share, respectively. Non-GAAP net income, non-GAAP earnings per diluted share, and non-GAAP EBITDA would have been lower by \$0.5 million, \$0.06 per diluted share, and \$0.7 million, respectively.

- For fiscal 2021, CRA returned \$53.0 million of capital to its shareholders, consisting of \$8.3 million of dividend payments and \$44.7 million for share repurchases of approximately 609,000 shares. Included in these amounts are 338,000 shares that were repurchased for an aggregate purchase price of \$25.0 million pursuant to CRA's modified "Dutch auction" self-tender offer that expired on April 5, 2021.

## Management Commentary and Financial Guidance

"The hard work of my colleagues and their dedication to client service drove our success in fiscal 2021," said Maleh. "Recapping our record financial performance, CRA reported revenue for fiscal 2021 of \$565.9 million, or \$559.5 million on a constant currency basis after adjusting for \$6.4 million of currency tailwinds. Full-year, non-GAAP EBITDA was \$68.4 million, or \$67.7 million on a constant currency basis after adjusting for \$0.7 million of currency tailwinds. Non-GAAP EBITDA margin was unchanged on a constant currency basis at 12.1%."

"Our fiscal 2021 financial performance demonstrates our continued strength in the marketplace. We will look to build on our trend of broad-based, profitable growth in the years ahead," continued Maleh. "For full-year fiscal 2022, on a constant currency basis relative to fiscal 2021, we expect revenue in the range of \$585 million to \$605 million, and non-GAAP EBITDA margin in the range of 10.8% to 11.5%. While we are pleased with CRA's strong performance in 2021, we remain mindful that uncertain global macroeconomic, business, public health, and political conditions can affect our business."

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

## Quarterly Dividend

On March 3, 2022, CRA's Board of Directors announced a quarterly cash dividend of \$0.31 per common share, payable on March 25, 2022 to shareholders of record as of March 15, 2022. CRA 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 today at 10:00 a.m. ET to discuss its fourth-quarter and fiscal-year 2021 financial results. To listen to the live call, please visit the "[Investor Relations](#)" section of CRA's 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 Dan Mahoney 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 leading 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](http://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 the following financial measures that are not calculated in accordance with GAAP: non-GAAP net income, non-GAAP net income per share and non-GAAP EBITDA. CRA believes that the non-GAAP financial measures described in this press release are important to management and investors because these measures supplement the understanding of CRA's ongoing operating results and financial condition. In addition, these non-GAAP measures are used by CRA in its budgeting process, and the non-GAAP adjustments are made to the performance measures for some of CRA's performance-based compensation.

CRA defines non-GAAP EBITDA as net income before interest expense (net), income taxes, and depreciation and amortization further adjusted for the impact of certain items that we do not consider indicative of our core operating performance, such as non-cash amounts relating to valuation changes in contingent consideration and related tax effects. Non-GAAP net income and non-GAAP net

income per share also exclude non-cash amounts relating to valuation changes in contingent consideration and related tax effects. This release also presents certain current fiscal period financial measures on a “constant currency” basis in order to isolate the effect that foreign currency exchange rate fluctuations can have on CRA’s financial results. These constant currency measures are determined by recalculating the current fiscal period local currency financial measure using the specified corresponding prior fiscal period’s foreign exchange rates.

CRA has also provided an adjusted revenue growth rate for the fourth quarter of fiscal 2021 as compared to the fourth quarter of fiscal 2020 to adjust for the impact of the extra week in the fourth quarter of fiscal 2020. The adjustment reflects the percentage change in the quarter over quarter results after reducing the revenue attributed to the fourth quarter of fiscal 2020 by one week on a pro rata basis.

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 financial measures identified in this release 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, the impact of exchange rate fluctuations on our financial results, our expectations regarding continued growth, our expectations regarding the payment of any future quarterly dividends and the level and extent of any purchases under our share repurchase program, and statements using the terms “outlook,” “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 revenue and non-GAAP EBITDA margin in fiscal 2022 on a constant currency basis relative to fiscal 2021 could differ materially from the guidance presented herein, and our actual performance and results may differ materially from the performance and results contained in or implied by the 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 consultants and personnel; the decline or reduction in project work or activity; global economic conditions including less stable political and economic environments; the impact of the COVID-19 pandemic; 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. Except as may be required by law, 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.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**JANUARY 1, 2022 COMPARED TO JANUARY 2, 2021**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Revenues	\$ 134,766	100.0 %	\$ 137,422	100.0 %	\$ 565,933	100.0 %	\$ 508,373	100.0 %
Cost of services (exclusive of depreciation and amortization)	93,658	69.5 %	101,247	73.7 %	400,054	70.7 %	370,709	72.9 %
Selling, general and administrative expenses	25,633	19.0 %	22,286	16.2 %	97,372	17.2 %	90,028	17.7 %
Depreciation and amortization	3,111	2.3 %	3,547	2.6 %	12,768	2.3 %	12,840	2.5 %
Income from operations	12,364	9.2 %	10,342	7.5 %	55,739	9.8 %	34,796	6.8 %
Interest expense, net	(179)	-0.1 %	(205)	-0.1 %	(970)	-0.2 %	(1,216)	-0.2 %
Foreign currency gains (losses), net	(241)	-0.2 %	(1,061)	-0.8 %	(494)	-0.1 %	42	— %
Income before provision for income taxes	11,944	8.9 %	9,076	6.6 %	54,275	9.6 %	33,622	6.6 %
Provision for income taxes	3,277	2.4 %	2,371	1.7 %	12,596	2.2 %	9,115	1.8 %
Net income	<u>\$ 8,667</u>	<u>6.4 %</u>	<u>\$ 6,705</u>	<u>4.9 %</u>	<u>\$ 41,679</u>	<u>7.4 %</u>	<u>\$ 24,507</u>	<u>4.8 %</u>
Net income per share:								
Basic	<u>\$ 1.17</u>		<u>\$ 0.86</u>		<u>\$ 5.59</u>		<u>\$ 3.14</u>	
Diluted	<u>\$ 1.14</u>		<u>\$ 0.85</u>		<u>\$ 5.45</u>		<u>\$ 3.07</u>	
Weighted average number of shares outstanding:								
Basic	<u>7,373</u>		<u>7,735</u>		<u>7,423</u>		<u>7,768</u>	
Diluted	<u>7,555</u>		<u>7,905</u>		<u>7,621</u>		<u>7,948</u>	

**CRA INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**JANUARY 1, 2022 COMPARED TO JANUARY 2, 2021**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Revenues	\$ 134,766	100.0 %	\$ 137,422	100.0 %	\$ 565,933	100.0 %	\$ 508,373	100.0 %
Net income	\$ 8,667	6.4 %	\$ 6,705	4.9 %	\$ 41,679	7.4 %	\$ 24,507	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	1,140	0.8 %	380	0.1 %	3,041	0.6 %
Tax effect on adjustments	—	— %	(308)	-0.2 %	(103)	— %	(816)	-0.2 %
Non-GAAP net income	\$ 8,667	6.4 %	\$ 7,537	5.5 %	\$ 41,956	7.4 %	\$ 26,732	5.3 %
Non-GAAP net income per share:								
Basic	\$ 1.17		\$ 0.97		\$ 5.63		\$ 3.43	
Diluted	\$ 1.14		\$ 0.95		\$ 5.49		\$ 3.35	
Weighted average number of shares outstanding:								
Basic	7,373		7,735		7,423		7,768	
Diluted	7,555		7,905		7,621		7,948	



**CRA INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**JANUARY 1, 2022 COMPARED TO JANUARY 2, 2021**  
**(IN THOUSANDS)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Revenues	\$ 134,766	100.0 %	\$ 137,422	100.0 %	\$ 565,933	100.0 %	\$ 508,373	100.0 %
Net income	\$ 8,667	6.4 %	\$ 6,705	4.9 %	\$ 41,679	7.4 %	\$ 24,507	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	1,140	0.8 %	380	0.1 %	3,041	0.6 %
Tax effect on adjustments	—	— %	(308)	-0.2 %	(103)	— %	(816)	-0.2 %
Non-GAAP net income	\$ 8,667	6.4 %	\$ 7,537	5.5 %	\$ 41,956	7.4 %	\$ 26,732	5.3 %
Adjustments needed to reconcile non-GAAP net income to non-GAAP EBITDA:								
Interest expense, net	179	0.1 %	205	0.1 %	970	0.2 %	1,216	0.2 %
Provision for income taxes	3,277	2.4 %	2,679	1.9 %	12,699	2.2 %	9,931	2.0 %
Depreciation and amortization	3,111	2.3 %	3,547	2.6 %	12,768	2.3 %	12,840	2.5 %
Non-GAAP EBITDA	\$ 15,234	11.3 %	\$ 13,968	10.2 %	\$ 68,393	12.1 %	\$ 50,719	10.0 %

**CRA INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(IN THOUSANDS)**

	January 1, 2022	January 2, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 66,130	\$ 45,677
Accounts receivable and unbilled services, net	162,057	152,476
Other current assets	21,160	21,817
<b>Total current assets</b>	<b>249,347</b>	<b>219,970</b>
Property and equipment, net	53,612	62,878
Goodwill and intangible assets, net	93,117	94,295
Right-of-use assets	110,475	122,144
Other assets	48,809	59,223
<b>Total assets</b>	<b>\$ 555,360</b>	<b>\$ 558,510</b>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 23,511	\$ 19,430
Accrued expenses	156,314	136,376
Current portion of lease liabilities	14,337	13,557
Other current liabilities	18,924	30,768
<b>Total current liabilities</b>	<b>213,086</b>	<b>200,131</b>
Non-current portion of lease liabilities	124,464	139,447
Other non-current liabilities	11,976	9,913
<b>Total liabilities</b>	<b>349,526</b>	<b>349,491</b>
<b>Total shareholders' equity</b>	<b>205,834</b>	<b>209,019</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 555,360</b>	<b>\$ 558,510</b>

**CRA INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(IN THOUSANDS)**

	<b>Fiscal Year-to-Date Period Ended</b>	
	<b>January 1, 2022</b>	<b>January 2, 2021</b>
<b>Operating activities:</b>		
Net income	\$ 41,679	\$ 24,507
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Non-cash items, net	29,680	28,994
Accounts receivable and unbilled services	(10,088)	(5,888)
Working capital items, net	14,427	7,050
<b>Net cash provided by operating activities</b>	<b>75,698</b>	<b>54,663</b>
<b>Investing activities:</b>		
Purchases of property and equipment	(2,623)	(17,094)
<b>Net cash used in investing activities</b>	<b>(2,623)</b>	<b>(17,094)</b>
<b>Financing activities:</b>		
Issuance of common stock, principally stock options exercises	5,157	2,236
Borrowings under revolving line of credit	74,000	77,000
Repayments under revolving line of credit	(74,000)	(77,000)
Tax withholding payments reimbursed by shares	(1,528)	(862)
Cash paid for contingent consideration	(2,357)	—
Cash dividends paid	(8,289)	(7,503)
Repurchase of common stock	(44,976)	(13,371)
<b>Net cash used in financing activities</b>	<b>(51,993)</b>	<b>(19,500)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents</b>	<b>(629)</b>	<b>1,969</b>
<b>Net increase in cash and cash equivalents</b>	<b>20,453</b>	<b>20,038</b>
Cash and cash equivalents at beginning of period	45,677	25,639
<b>Cash and cash equivalents at end of period</b>	<b>\$ 66,130</b>	<b>\$ 45,677</b>
<b>Noncash investing and financing activities:</b>		
Purchases of property and equipment not yet paid for	\$ (8)	\$ 4,749
Asset retirement obligations	\$ —	\$ 155
Right-of-use assets obtained in exchange for lease obligations	\$ 1,751	\$ 2,640
Restricted common stock issued for contingent consideration	\$ 2,250	\$ —
<b>Supplemental cash flow information:</b>		
Cash paid for taxes	\$ 14,953	\$ 6,535
Cash paid for interest	\$ 727	\$ 1,162
Cash paid for amounts included in operating lease liabilities	\$ 20,823	\$ 20,436



**CHARLES RIVER ASSOCIATES (CRA)  
FOURTH QUARTER AND FISCAL YEAR 2021  
EARNINGS ANNOUNCEMENT  
PREPARED CFO REMARKS**

CRA is providing these prepared remarks by CFO Dan Mahoney 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 March 3, 2022 at 10:00 a.m. ET. These prepared remarks will not be read on the call.

Q4 of fiscal 2021 contained 13 weeks while Q4 of fiscal 2020 contained 14 weeks. Full year fiscal 2021 contained 52 weeks while full year fiscal 2020 contained 53 weeks.

**Q4 Fiscal 2021 Summary (Quarter ended January 1, 2022)**

- Revenue: \$134.8 million
- Net income and non-GAAP net income: \$8.7 million, or 6.4% of revenue
- Net income per diluted share and non-GAAP net income per diluted share: \$1.14
- Operating margin and non-GAAP operating margin: 9.2%
- Non-GAAP EBITDA: \$15.2 million, or 11.3% of revenue
- Effective tax rate and non-GAAP effective tax rate: 27.4%
- Utilization: 72%
- Consultant headcount at the end of Q4 of fiscal 2021: 861, which consists of 140 officers, 477 other senior staff and 244 junior staff
- Cash and cash equivalents: \$66.1 million at January 1, 2022

**Fiscal Year 2021 Summary (Fiscal Year ended January 1, 2022)**

- Revenue: \$565.9 million
- Net income: \$41.7 million, or 7.4% of revenue; non-GAAP net income: \$42.0 million, or 7.4% of revenue
- Net income per diluted share: \$5.45; non-GAAP net income per diluted share: \$5.49
- Operating margin: 9.8%; non-GAAP operating margin: 9.9%
- Non-GAAP EBITDA: \$68.4 million, or 12.1% of revenue
- Effective tax rate: 23.2%; non-GAAP effective tax rate: 23.2%
- Utilization: 74%

**Revenue**

For Q4 of fiscal 2021, revenue was \$134.8 million, compared with \$137.4 million for Q4 of fiscal 2020.

For the full year fiscal 2021, revenue was \$565.9 million, compared with \$508.4 million for the full year fiscal 2020.

## Headcount

The following table outlines CRA's consultant headcount at the end of the stated quarters:

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Officers	140	138	141	145	137
Other Senior Staff	477	495	483	497	471
Junior Staff	244	249	209	195	223
<b>Total</b>	<b>861</b>	<b>882</b>	<b>833</b>	<b>837</b>	<b>831</b>

## Utilization

For Q4 of fiscal 2021, company-wide utilization was 72%, compared with 70% for Q4 fiscal 2020.

For the full year fiscal 2021, company-wide utilization was 74%, compared with 69% for the full year fiscal 2020.

## Client Reimbursables

For Q4 of fiscal 2021, client reimbursables were \$15.2 million, or 11.2% of revenue, compared with \$17.3 million, or 12.6% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, client reimbursables were \$64.5 million, or 11.4% of revenue, compared with \$61.7 million, or 12.1% of revenue, for the full year fiscal 2020.

## Contingent Liability

CRA had no contingent consideration obligation during Q4 of fiscal 2021. The estimated value of the contingent consideration obligation increased during Q4 of fiscal 2020 by \$1.1 million to \$14.6 million at January 2, 2021. The contingent consideration obligation was paid in Q1 of fiscal 2021.

The change in the value of the contingent liability is recorded as an adjustment to cost of services (exclusive of depreciation and amortization) in the period reported.

## Selling, General and Administrative (SG&A) Expenses

For Q4 of fiscal 2021, SG&A expenses were \$25.6 million, or 19.0% of revenue, compared with \$22.3 million, or 16.2% of revenue, for Q4 of fiscal 2020. Commissions to non-employee experts are included in SG&A expenses. These commissions represented approximately 2.9% of revenue for Q4 of fiscal 2021, compared with 2.3% in Q4 of fiscal 2020. Excluding these commissions, SG&A expenses were 16.1% of revenue for Q4 of fiscal 2021, compared with 13.9% in Q4 of fiscal 2020.

For the full year fiscal 2021, SG&A expenses were \$97.4 million, or 17.2% of revenue, compared with \$90.0 million, or 17.7% of revenue, for the full year fiscal 2020. Commissions to non-employee experts represented approximately 3.0% of revenue for fiscal year 2021, compared with 2.5% in fiscal year 2020. Excluding these commissions, SG&A expenses were 14.2% of revenue for the full year fiscal 2021, compared with 15.2% for the full year fiscal 2020.

## Depreciation & Amortization

For Q4 of fiscal 2021, depreciation and amortization expenses amounted to \$3.1 million, or 2.3% of revenue, compared with \$3.5 million, or 2.6% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, depreciation and amortization expenses amounted to \$12.8 million, or 2.3% of revenue, compared with \$12.8 million, or 2.5% of revenue, for the full year fiscal 2020.

## Forgivable Loan Amortization

For Q4 of fiscal 2021, forgivable loan amortization was \$8.5 million, or 6.3% of revenue, compared with \$8.3 million, or 6.1% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, forgivable loan amortization was \$32.8 million, or 5.8% of revenue, compared with \$30.8 million, or 6.1% of revenue, for the full year fiscal 2020.

## Share-Based Compensation Expense

For Q4 of fiscal 2021, share-based compensation expense was approximately \$1.3 million, or 0.9% of revenue, compared with \$0.9 million, or 0.6% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, share-based compensation expense was approximately \$4.1 million, or 0.7% of revenue, compared with \$3.2 million, or 0.6% of revenue, for the full year fiscal 2020.

## Operating Income

For Q4 of fiscal 2021, operating income was \$12.4 million, or 9.2% of revenue, compared with operating income of \$10.3 million, or 7.5% of revenue, for Q4 of fiscal 2020. Non-GAAP operating income was \$12.4 million, or 9.2% of revenue, for Q4 of fiscal 2021, compared with \$11.5 million, or 8.4% of revenue, for Q4 of fiscal 2020.

\$ in 000's	Fiscal Quarter Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Income from operations	\$ 12,364	9.2 %	\$ 10,342	7.5 %
Adjustments needed to reconcile GAAP income from operations to non-GAAP income from operations:				
Non-cash valuation change in contingent consideration	—	— %	1,140	0.8 %
Non-GAAP income from operations	\$ 12,364	9.2 %	\$ 11,482	8.4 %

For the full year fiscal 2021, operating income was \$55.7 million, or 9.8% of revenue, compared with operating income of \$34.8 million, or 6.8% of revenue, for the full year fiscal 2020. Non-GAAP operating income was \$56.1 million, or 9.9% of revenue, for the full year fiscal 2021, compared with \$37.8 million, or 7.4% of revenue, for the full year fiscal 2020.

\$ in 000's	Fiscal Year Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Income from operations	\$ 55,739	9.8 %	\$ 34,796	6.8 %
Adjustments needed to reconcile GAAP income from operations to non-GAAP income from operations:				
Non-cash valuation change in contingent consideration	380	0.1 %	3,041	0.6 %
Non-GAAP income from operations	\$ 56,119	9.9 %	\$ 37,837	7.4 %

## Interest Income (Expense), net

For Q4 of fiscal 2021, net interest expense was \$0.2 million, or 0.1% of revenue, compared with net interest expense of \$0.2 million, or 0.1% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, net interest expense was \$1.0 million, or 0.2% of revenue, compared with net interest expense of \$1.2 million, or 0.2% of revenue, for the full year fiscal 2020.

## Foreign Currency Gains (Losses), net

For Q4 of fiscal 2021, net foreign currency losses were \$0.2 million, or 0.2% of revenue, compared with net foreign currency losses, of \$1.1 million, or 0.8% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, net foreign currency losses were \$0.5 million, or 0.1% of revenue, compared with net foreign currency gains of \$0.04 million, or less than 0.1% of revenue, for the full year fiscal 2020.

Foreign currency gains (losses), net, is comprised of net gains and losses on foreign denominated transactions and the revaluation of working capital balances.

## Income Taxes

The following table outlines CRA's income tax provision recorded and the resulting effective tax rates:

\$ in 000's	GAAP		Non-GAAP	
	Fiscal Quarter Ended		Fiscal Quarter Ended	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Tax Provision	\$ 3,277	\$ 2,371	\$ 3,277	\$ 2,679
Effective Tax Rate	27.4 %	26.1 %	27.4 %	26.2 %

\$ in 000's	GAAP		Non-GAAP	
	Fiscal Year Ended		Fiscal Year Ended	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Tax Provision	\$ 12,596	\$ 9,115	\$ 12,699	\$ 9,931
Effective Tax Rate	23.2 %	27.1 %	23.2 %	27.1 %

\$ in 000's	Fiscal Quarter Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Income before provision for income taxes	\$ 11,944	8.9 %	\$ 9,076	6.6 %
Adjustments needed to reconcile GAAP income before provision for income taxes to non-GAAP income before provision for income taxes				
Non-cash valuation change in contingent consideration	—	— %	1,140	0.8 %
Non-GAAP income before provision for income taxes	\$ 11,944	8.9 %	\$ 10,216	7.4 %
GAAP provision for income taxes	\$ 3,277		\$ 2,371	
Tax effect on non-GAAP adjustments	—		308	
Non-GAAP provision for income taxes	\$ 3,277		\$ 2,679	

\$ in 000's	Fiscal Year Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Income before provision for income taxes	\$ 54,275	9.6 %	\$ 33,622	6.6 %
Adjustments needed to reconcile GAAP income before provision for income taxes to non-GAAP income before provision for income taxes				
Non-cash valuation change in contingent consideration	380	0.1 %	3,041	0.6 %
Non-GAAP income before provision for income taxes	\$ 54,655	9.7 %	\$ 36,663	7.2 %
GAAP provision for income taxes	\$ 12,596		\$ 9,115	
Tax effect on non-GAAP adjustments	103		816	
Non-GAAP provision for income taxes	\$ 12,699		\$ 9,931	

### Net Income

For Q4 of fiscal 2021, net income was \$8.7 million, or 6.4% of revenue, or \$1.14 per diluted share, compared with net income of \$6.7 million, or 4.9% of revenue, or \$0.85 per diluted share, for Q4 of fiscal 2020. Non-GAAP net income for Q4 of fiscal 2021 was \$8.7 million, or 6.4% of revenue, or \$1.14 per diluted share, compared with \$7.5 million, or 5.5% of revenue, or \$0.95 per diluted share, for Q4 of fiscal 2020.

For the full year fiscal 2021, net income was \$41.7 million, or 7.4% of revenue, or \$5.45 per diluted share, compared with net income of \$24.5 million, or 4.8% of revenue, or \$3.07 per diluted share, for the full year fiscal 2020. Non-GAAP net income for the full year fiscal 2021 was \$42.0 million, or 7.4% of revenue, or \$5.49 per diluted share, compared with \$26.7 million, or 5.3% of revenue, or \$3.35 per diluted share, for the full year fiscal 2020.

### Non-GAAP EBITDA

For Q4 of fiscal 2021, non-GAAP EBITDA was \$15.2 million, or 11.3% of revenue, compared with \$14.0 million, or 10.2% of revenue, for Q4 of fiscal 2020.

For the full year fiscal 2021, non-GAAP EBITDA was \$68.4 million, or 12.1% of revenue, compared with \$50.7 million, or 10.0% of revenue, for the full year fiscal 2020.

### Constant Currency Basis

For Q4 of fiscal 2021, revenue was \$134.8 million, and net income was \$8.7 million, or 6.4% of revenue, or \$1.14 per diluted share. On a constant currency basis relative to Q4 of fiscal 2020, Q4 of fiscal 2021 revenue would have been lower by \$0.4 million to \$134.4 million; GAAP net income would have decreased by \$0.1 million to \$8.6 million, or 6.4% of revenue; and earnings per diluted share would have remained unchanged at \$1.14 per diluted share.

For Q4 of fiscal 2021, GAAP and non-GAAP revenue, net income, and earnings per diluted share on a constant currency basis relative to Q4 of fiscal 2020 were the same; and non-GAAP EBITDA would have remained unchanged at \$15.2 million, or 11.3% of revenue.

Full year fiscal 2021, revenue was \$565.9 million, and net income was \$41.7 million, or 7.4% of revenue, or \$5.45 per diluted share. On a constant currency basis relative to full year fiscal 2020, full year fiscal 2021 revenue would have been lower by \$6.4 million to \$559.5 million; GAAP net income would have decreased by \$0.5 million to \$41.2 million, or 7.4% of revenue; and earnings per diluted share would have decreased by \$0.06 to \$5.39 per diluted share.

Full year fiscal 2021, revenue was \$565.9 million and non-GAAP net income was \$42.0 million, or 7.4% of revenue, or \$5.49 per diluted share. On a constant currency basis relative to full year fiscal 2020, full year fiscal 2021 revenue would have been lower by \$6.4 million to \$559.5 million; non-GAAP net income would have decreased by \$0.5 million to \$41.5 million, or 7.4% of revenue;

non-GAAP earnings per diluted share would have decreased by \$0.06 to \$5.43 per diluted share; and non-GAAP EBITDA would have decreased by \$0.7 million to \$67.7 million, or 12.1% of 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 January 1, 2022 were \$162.1 million, compared with \$152.5 million at January 2, 2021. Current liabilities at January 1, 2022 were \$213.1 million, compared with \$200.1 million at January 2, 2021.

Total Days Sales Outstanding, or DSO, for Q4 of fiscal 2021 was 101 days, consisting of 70 days of billed and 31 days of unbilled. This compares with 102 days reported for Q4 of fiscal 2020, consisting of 73 days of billed and 29 days of unbilled.

#### Cash and Cash Flow

Cash and cash equivalents were \$66.1 million at January 1, 2022, compared with \$45.7 million at January 2, 2021.

Net cash provided by operating activities for Q4 of fiscal 2021 was \$61.8 million, compared with net cash provided by operating activities of \$65.3 million for Q4 of fiscal 2020. For the full year fiscal 2021, net cash provided by operating activities was \$75.7 million, compared with \$54.7 million for the full year 2020.

As of January 1, 2022, and January 2, 2021, there were no outstanding borrowings under CRA’s revolving credit facility.

Capital expenditures totaled \$0.9 million for Q4 of fiscal 2021, compared with \$1.4 million for Q4 of fiscal 2020. Capital expenditures totaled \$2.6 million during full year fiscal 2021, compared with \$17.1 million during full year fiscal 2020.

CRA repurchased approximately 51,000 shares of its common stock during Q4 of fiscal 2021 for \$5.0 million, compared with Q4 of fiscal 2020 when approximately 91,000 shares of common stock were repurchased for approximately \$4.6 million.

During the full year fiscal 2021, approximately 609,000 shares of common stock were repurchased for \$45.0 million, including transaction costs, compared with approximately 284,000 shares of common stock repurchased for \$13.4 million during the full year fiscal 2020.

A quarterly cash dividend of \$0.31 per common share, for total dividends and dividend equivalents of \$2.4 million was paid in Q4 of fiscal 2021, compared with a quarterly cash dividend of \$0.26 per common share, for total dividends and dividend equivalents of \$2.1 million paid in Q4 of fiscal 2020. During the full year fiscal 2021, \$8.3 million of dividends and dividend equivalents were paid, compared with \$7.5 million paid during the full year fiscal 2020.

#### GAAP Condensed Consolidated Statement of Cash Flows

CRA has derived the condensed consolidated statement of cash flow data for the fourth quarters and the years ended January 1, 2022 and January 2, 2021 from its audited financial statements appearing on Form 10-K for the fiscal year ended January 1, 2022, filed with the Securities and Exchange Commission on March 3, 2022. The condensed consolidated statement of cash flow data for the first, second and third quarters of fiscal years 2021 and 2020 have been derived from CRA’s unaudited financial statements appearing on Form 10-Q for each of the respective fiscal quarters, as well as the consolidated statements of cash flows appearing on Form 10-K for the fiscal years ended January 1, 2022 and January 2, 2021, and have been prepared on the same basis as CRA’s audited financial statements.

GAAP Condensed Consolidated Statement of Cash Flows (\$ in 000's)	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net cash provided by (used in) operating activities	\$ 75,698	\$ 61,795	\$ 50,126	\$ 3,625	\$ (39,848)
Net cash used in investing activities	(2,623)	(893)	(560)	(478)	(692)
Net cash provided by (used in) financing activities	(51,993)	(14,173)	(43,428)	(20,857)	26,465
Effect of foreign exchange rates on cash and cash equivalents	(629)	(264)	(450)	58	27
Net increase (decrease) in cash and cash equivalents	\$ 20,453	\$ 46,465	\$ 5,688	\$ (17,652)	\$ (14,048)
Cash and cash equivalents at beginning of period	45,677	19,665	13,977	31,629	45,677
Cash and cash equivalents at end of period	\$ 66,130	\$ 66,130	\$ 19,665	\$ 13,977	\$ 31,629



**GAAP Condensed Consolidated Statement of Cash Flows**  
 (\$ in 000's)

	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net cash provided by (used in) operating activities	\$ 54,663	\$ 65,315	\$ 33,648	\$ 21,075	\$ (65,375)
Net cash used in investing activities	(17,094)	(1,352)	(2,225)	(5,568)	(7,949)
Net cash provided by (used in) financing activities	(19,500)	(44,558)	(26,687)	(12,370)	64,115
Effect of foreign exchange rates on cash and cash equivalents	1,969	2,164	565	(148)	(612)
Net increase (decrease) in cash and cash equivalents	\$ 20,038	\$ 21,569	\$ 5,301	\$ 2,989	\$ (9,821)
Cash and cash equivalents at beginning of period	25,639	24,108	18,807	15,818	25,639
Cash and cash equivalents at end of period	\$ 45,677	\$ 45,677	\$ 24,108	\$ 18,807	\$ 15,818

**Adjusted Net Cash Flows from Operations**

Below are the quarterly and last twelve-month reconciliations of GAAP net cash provided by (used in) operating activities for each of the periods presented to non-GAAP adjusted net cash flows from operations. The reconciling items are forgivable loan advances and repayments for each period, which are reported as a component of GAAP net cash provided by (used in) operating activities, along with other non-recurring items.

**Adjusted Net Cash Flows from Operations**  
 (\$ in 000's)

	FY 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
GAAP net cash provided by (used in) operating activities	\$ 75,698	\$ 61,795	\$ 50,126	\$ 3,625	\$ (39,848)
Forgivable loan advances	14,528	4,893	5,105	2,380	2,150
Forgivable loan repayments	(69)	(69)	—	—	—
Other non-recurring cash items (1)	10,393	—	—	—	10,393
Adjusted net cash flows from operations	\$ 100,550	\$ 66,619	\$ 55,231	\$ 6,005	\$ (27,305)
Net revenue	\$ 565,933	\$ 134,766	\$ 136,412	\$ 148,237	\$ 146,518
GAAP net cash provided by (used in) operating activities as a percentage of net revenue	13.4 %	45.9 %	36.7 %	2.4 %	(27.2)%
Adjusted net cash flows from operations as a percentage of net revenue	17.8 %	49.4 %	40.5 %	4.1 %	(18.6)%

**Adjusted Net Cash Flows from Operations**  
 (\$ in 000's)

	FY 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
GAAP net cash provided by (used in) operating activities	\$ 54,663	\$ 65,315	\$ 33,648	\$ 21,075	\$ (65,375)
Forgivable loan advances	42,418	3,940	104	4,932	33,442
Forgivable loan repayments	—	—	—	—	—
Other non-recurring cash items	—	—	—	—	—
Adjusted net cash flows from operations	\$ 97,081	\$ 69,255	\$ 33,752	\$ 26,007	\$ (31,933)
Net revenue	\$ 508,373	\$ 137,422	\$ 121,762	\$ 123,031	\$ 126,158
GAAP net cash provided by (used in) operating activities as a percentage of net revenue	10.8 %	47.5 %	27.6 %	17.1 %	(51.8)%
Adjusted net cash flows from operations as a percentage of net revenue	19.1 %	50.4 %	27.7 %	21.1 %	(25.3)%

(1) Other non-recurring cash items in Q1 fiscal 2021 includes a portion of the cash paid to settle a contingent consideration obligation.

**NON-GAAP FINANCIAL MEASURES**

In these remarks, CRA has supplemented the presentation of its financial results calculated in accordance with U.S. generally accepted accounting principles or "GAAP" with the following financial measures that were not calculated in accordance with GAAP: non-GAAP net income, non-GAAP net income per share, non-GAAP EBITDA, non-GAAP income from operations, non-GAAP provision for income taxes and adjusted net cash flows from operations. CRA believes that these non-GAAP financial measures are important to management and investors because these measures supplement the understanding of CRA's ongoing operating results, financial condition and cash flows. Non-GAAP adjusted net cash flows from operations is used by management to assess CRA's ability to fund items such as the acquisition of talent, office expansions, debt repayment and distributions to shareholders. In addition, non-GAAP net income and non-GAAP EBITDA are used by CRA in its budgeting process, and the non-GAAP adjustments described below are made to the performance measures for some of CRA's performance-based compensation.

CRA defines non-GAAP EBITDA as net income before interest expense (net), income taxes, and depreciation and amortization further adjusted for the impact of certain items that it does not consider indicative of its core operating performance, such as non-cash amounts relating to valuation changes in contingent consideration and related tax effects. Non-GAAP net income, non-GAAP income

from operations and non-GAAP provision for income taxes also exclude non-cash amounts relating to valuation changes in contingent consideration and related tax effects. The adjustments made to non-GAAP adjusted net cash flows from operations add back forgivable loan issuances, net of repayments, along with other non-recurring cash items. These remarks also present certain current fiscal period financial measures on a “constant currency” basis in order to isolate the effect that foreign currency exchange rate fluctuations can have on CRA’s financial results. These constant currency measures are determined by recalculating the current fiscal period local currency financial measure using the specified corresponding prior fiscal period’s foreign exchange rates.

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 these remarks. EBITDA and the financial measures identified in these remarks as “non-GAAP” are reconciled to their GAAP comparable measures either in these remarks or in the attached financial tables. 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.

**CRA INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**JANUARY 1, 2022 COMPARED TO JANUARY 2, 2021**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Revenues	\$ 134,766	100.0 %	\$ 137,422	100.0 %	\$ 565,933	100.0 %	\$ 508,373	100.0 %
Cost of services (exclusive of depreciation and amortization)	93,658	69.5 %	101,247	73.7 %	400,054	70.7 %	370,709	72.9 %
Selling, general and administrative expenses	25,633	19.0 %	22,286	16.2 %	97,372	17.2 %	90,028	17.7 %
Depreciation and amortization	3,111	2.3 %	3,547	2.6 %	12,768	2.3 %	12,840	2.5 %
Income from operations	12,364	9.2 %	10,342	7.5 %	55,739	9.8 %	34,796	6.8 %
Interest expense, net	(179)	-0.1 %	(205)	-0.1 %	(970)	-0.2 %	(1,216)	-0.2 %
Foreign currency gains (losses), net	(241)	-0.2 %	(1,061)	-0.8 %	(494)	-0.1 %	42	— %
Income before provision for income taxes	11,944	8.9 %	9,076	6.6 %	54,275	9.6 %	33,622	6.6 %
Provision for income taxes	3,277	2.4 %	2,371	1.7 %	12,596	2.2 %	9,115	1.8 %
Net income	<u>\$ 8,667</u>	<u>6.4 %</u>	<u>\$ 6,705</u>	<u>4.9 %</u>	<u>\$ 41,679</u>	<u>7.4 %</u>	<u>\$ 24,507</u>	<u>4.8 %</u>
Net income per share:								
Basic	<u>\$ 1.17</u>		<u>\$ 0.86</u>		<u>\$ 5.59</u>		<u>\$ 3.14</u>	
Diluted	<u>\$ 1.14</u>		<u>\$ 0.85</u>		<u>\$ 5.45</u>		<u>\$ 3.07</u>	
Weighted average number of shares outstanding:								
Basic	<u>7,373</u>		<u>7,735</u>		<u>7,423</u>		<u>7,768</u>	
Diluted	<u>7,555</u>		<u>7,905</u>		<u>7,621</u>		<u>7,948</u>	

**CRA INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**JANUARY 1, 2022 COMPARED TO JANUARY 2, 2021**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Revenues	\$ 134,766	100.0 %	\$ 137,422	100.0 %	\$ 565,933	100.0 %	\$ 508,373	100.0 %
Net income	\$ 8,667	6.4 %	\$ 6,705	4.9 %	\$ 41,679	7.4 %	\$ 24,507	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	1,140	0.8 %	380	0.1 %	3,041	0.6 %
Tax effect on adjustments	—	— %	(308)	-0.2 %	(103)	— %	(816)	-0.2 %
Non-GAAP net income	\$ 8,667	6.4 %	\$ 7,537	5.5 %	\$ 41,956	7.4 %	\$ 26,732	5.3 %
Non-GAAP net income per share:								
Basic	\$ 1.17		\$ 0.97		\$ 5.63		\$ 3.43	
Diluted	\$ 1.14		\$ 0.95		\$ 5.49		\$ 3.35	
Weighted average number of shares outstanding:								
Basic	7,373		7,735		7,423		7,768	
Diluted	7,555		7,905		7,621		7,948	

**CRA INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE FISCAL QUARTERS AND FISCAL YEAR-TO-DATE PERIODS ENDED**  
**JANUARY 1, 2022 COMPARED TO JANUARY 2, 2021**  
**(IN THOUSANDS)**

	Fiscal Quarter Ended				Fiscal Year-to-Date Period Ended			
	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue	January 1, 2022	As a % of Revenue	January 2, 2021	As a % of Revenue
Revenues	\$ 134,766	100.0 %	\$ 137,422	100.0 %	\$ 565,933	100.0 %	\$ 508,373	100.0 %
Net income	\$ 8,667	6.4 %	\$ 6,705	4.9 %	\$ 41,679	7.4 %	\$ 24,507	4.8 %
Adjustments needed to reconcile GAAP net income to non-GAAP net income:								
Non-cash valuation change in contingent consideration	—	— %	1,140	0.8 %	380	0.1 %	3,041	0.6 %
Tax effect on adjustments	—	— %	(308)	-0.2 %	(103)	— %	(816)	-0.2 %
Non-GAAP net income	\$ 8,667	6.4 %	\$ 7,537	5.5 %	\$ 41,956	7.4 %	\$ 26,732	5.3 %
Adjustments needed to reconcile non-GAAP net income to non-GAAP EBITDA:								
Interest expense, net	179	0.1 %	205	0.1 %	970	0.2 %	1,216	0.2 %
Provision for income taxes	3,277	2.4 %	2,679	1.9 %	12,699	2.2 %	9,931	2.0 %
Depreciation and amortization	3,111	2.3 %	3,547	2.6 %	12,768	2.3 %	12,840	2.5 %
Non-GAAP EBITDA	\$ 15,234	11.3 %	\$ 13,968	10.2 %	\$ 68,393	12.1 %	\$ 50,719	10.0 %

**CRA INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(IN THOUSANDS)**

	January 1, 2022	January 2, 2021
<b>Assets</b>		
Cash and cash equivalents	\$ 66,130	\$ 45,677
Accounts receivable and unbilled services, net	162,057	152,476
Other current assets	21,160	21,817
<b>Total current assets</b>	<b>249,347</b>	<b>219,970</b>
Property and equipment, net	53,612	62,878
Goodwill and intangible assets, net	93,117	94,295
Right-of-use assets	110,475	122,144
Other assets	48,809	59,223
<b>Total assets</b>	<b>\$ 555,360</b>	<b>\$ 558,510</b>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 23,511	\$ 19,430
Accrued expenses	156,314	136,376
Current portion of lease liabilities	14,337	13,557
Other current liabilities	18,924	30,768
<b>Total current liabilities</b>	<b>213,086</b>	<b>200,131</b>
Non-current portion of lease liabilities	124,464	139,447
Other non-current liabilities	11,976	9,913
<b>Total liabilities</b>	<b>349,526</b>	<b>349,491</b>
<b>Total shareholders' equity</b>	<b>205,834</b>	<b>209,019</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 555,360</b>	<b>\$ 558,510</b>

**CRA INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(IN THOUSANDS)**

	<b>Fiscal Year-to-Date Period Ended</b>	
	<b>January 1, 2022</b>	<b>January 2, 2021</b>
<b>Operating activities:</b>		
Net income	\$ 41,679	\$ 24,507
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Non-cash items, net	29,680	28,994
Accounts receivable and unbilled services	(10,088)	(5,888)
Working capital items, net	14,427	7,050
<b>Net cash provided by operating activities</b>	<b>75,698</b>	<b>54,663</b>
<b>Investing activities:</b>		
Purchases of property and equipment	(2,623)	(17,094)
<b>Net cash used in investing activities</b>	<b>(2,623)</b>	<b>(17,094)</b>
<b>Financing activities:</b>		
Issuance of common stock, principally stock options exercises	5,157	2,236
Borrowings under revolving line of credit	74,000	77,000
Repayments under revolving line of credit	(74,000)	(77,000)
Tax withholding payments reimbursed by shares	(1,528)	(862)
Cash paid for contingent consideration	(2,357)	—
Cash dividends paid	(8,289)	(7,503)
Repurchase of common stock	(44,976)	(13,371)
<b>Net cash used in financing activities</b>	<b>(51,993)</b>	<b>(19,500)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents</b>	<b>(629)</b>	<b>1,969</b>
<b>Net increase in cash and cash equivalents</b>	<b>20,453</b>	<b>20,038</b>
Cash and cash equivalents at beginning of period	45,677	25,639
<b>Cash and cash equivalents at end of period</b>	<b>\$ 66,130</b>	<b>\$ 45,677</b>
<b>Noncash investing and financing activities:</b>		
Purchases of property and equipment not yet paid for	\$ (8)	\$ 4,749
Asset retirement obligations	\$ —	\$ 155
Right-of-use assets obtained in exchange for lease obligations	\$ 1,751	\$ 2,640
Restricted common stock issued for contingent consideration	\$ 2,250	\$ —
<b>Supplemental cash flow information:</b>		
Cash paid for taxes	\$ 14,953	\$ 6,535
Cash paid for interest	\$ 727	\$ 1,162
Cash paid for amounts included in operating lease liabilities	\$ 20,823	\$ 20,436

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**CHARLES RIVER ASSOCIATES (CRA) DECLARES QUARTERLY CASH DIVIDEND OF \$0.31 PER COMMON SHARE**

BOSTON, March 03, 2022 – 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 \$0.31 per common share to be paid on March 25, 2022 to shareholders of record of CRA's common stock as of the close of business on March 15, 2022. 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 leading 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](http://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. 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; the potential impact of the COVID-19 pandemic on our operations and results; 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. Except as may be required by law, 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.*