

---

---

**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): **November 1, 2018**

**CRA INTERNATIONAL, INC.**

(Exact name of registrant as specified in its charter)

**Massachusetts**  
(State or other jurisdiction  
of incorporation)

**000-24049**  
(Commission  
file number)

**04-2372210**  
(IRS employer  
identification no.)

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

**02116**  
(Zip code)

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

**Not Applicable**

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

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

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

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

Emerging growth company

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

---

---

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

On November 1, 2018, we issued a press release reporting our financial results for our fiscal quarter and year-to-date period ended September 29, 2018. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On November 1, 2018, 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 November 1, 2018, we announced that our Board of Directors declared an increased quarterly cash dividend on our common stock of \$0.20 per share to be paid on December 21, 2018 to all shareholders of record as of November 27, 2018. 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>
99.1	<a href="#">November 1, 2018 earnings press release</a>
99.2	<a href="#">Supplemental financial information (prepared CFO remarks)</a>
99.3	<a href="#">November 1, 2018 dividend press release</a>

**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: November 1, 2018

By: /s/ Chad M. Holmes

Chad M. Holmes

Chief Financial Officer, Executive Vice President and Treasurer

FINAL FOR RELEASE

**Contacts:**

Chad Holmes  
Chief Financial Officer  
Charles River Associates  
312-377-2322

Jamie Bernard  
Senior Associate  
Sharon Merrill Associates, Inc.  
617-542-5300

**CHARLES RIVER ASSOCIATES (CRA) REPORTS  
RESULTS FOR THE THIRD QUARTER OF 2018**

*Strong Performance Reflects Continued Growth Across Services and Geographies;  
Raises Revenue Guidance for Fiscal 2018;  
Board of Directors Increases Regular Quarterly Dividend by 18%*

BOSTON, November 1, 2018 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial and management consulting services, today announced financial results and filed its Form 10-Q for the fiscal third quarter ended September 29, 2018.

**Key Third-Quarter Fiscal 2018 Highlights**

- Revenue grew 13.7% year over year to \$103.9 million.
- Utilization was 76%, while quarter-end headcount increased 7.2% year over year.
- Net income increased 21.6% year over year to \$3.9 million, or 3.8% of revenue, compared with \$3.2 million, or 3.5% of revenue, in the third quarter of fiscal 2017; non-GAAP net income increased 61.1% year over year to \$5.6 million, or 5.4% of revenue, compared with \$3.5 million, or 3.8% of revenue, in the third quarter of fiscal 2017.
- Earnings per diluted share increased 21.1% year over year to \$0.46; non-GAAP earnings per diluted share increased 58.5% year over year to \$0.65.
- Non-GAAP EBITDA grew 17.7% year over year to \$10.1 million, or 9.7% of revenue, compared with \$8.6 million, or 9.4% of revenue, in the third quarter of fiscal 2017.
- On a constant currency basis relative to the third quarter of fiscal 2017, revenue would have been higher by \$0.2 million, while GAAP and non-GAAP net income, earnings per diluted share and EBITDA would have been minimally impacted.

**Management Commentary**

“For the eighth consecutive quarter, CRA delivered double-digit year-over-year revenue growth,” said Paul Maleh, CRA’s President and Chief Executive Officer. “During the third quarter we

increased headcount by 7% and maintained a companywide utilization of 76%, while growing non-GAAP EBITDA, net income, and earnings per diluted share by 18%, 61%, and 59%, respectively.

“These third quarter results reflect continued broad-based profitable growth across the firm,” Maleh said. “Our strong performance within legal and regulatory and management consulting was led by double-digit revenue growth year-over-year in each of our Antitrust & Competition Economics, Finance, Forensic Services, Labor & Employment, and Life Sciences practices. Further highlighting the strength of our portfolio, North American and international operations grew revenue by 13% and 15%, respectively.”

### **Outlook and Financial Guidance**

“CRA is well positioned to build on the momentum achieved through the first three quarters of the year,” Maleh said. “As a result, on a constant currency basis relative to fiscal 2017, we are raising our 2018 revenue guidance to the range of \$404 million to \$410 million and expect to be in the upper half of our previously announced non-GAAP EBITDA margin guidance range of 8.8% to 9.8%.”

CRA does not provide reconciliations of its annual non-GAAP EBITDA margin guidance to GAAP net income margin because CRA is unable to estimate with reasonable certainty the revaluation of contingent consideration liabilities, unusual gains or charges, foreign currency exchange rates, and the resulting effect of these items, and of equity awards, on CRA’s taxes without unreasonable effort. These items are uncertain, depend on various factors, and may have a material effect on CRA’s results computed in accordance with GAAP. 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 November 1, 2018, CRA’s Board of Directors announced an 18% increase to its quarterly cash dividend to \$0.20 per common share. This dividend will be payable on December 21, 2018 to shareholders of record as of November 27, 2018. 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 third-quarter 2018 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 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](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 financial measures that were not calculated in accordance with GAAP. 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 described below are made to the performance measures for some of CRA’s performance-based compensation.

The adjustments made to the financial measures identified in this release as “non-GAAP” are as follows: for the third quarter of fiscal 2018, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration; for the year-to-date period ending September 29, 2018, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, net costs related to a lease recapture, and additional transition effects in connection with the Tax Cuts and Jobs Act; for the third quarter of fiscal 2017, the adjustments exclude activity related to CRA’s GNU123 Liquidating Corporation subsidiary

("GNU"), which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to valuation changes in contingent consideration; and for the year-to-date period ended September 30, 2017, the adjustments exclude activity related to GNU and non-cash amounts relating principally to impairments on certain intangible assets and valuation changes in contingent consideration. 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. Finally, this release also presents the non-GAAP financial metric EBITDA.

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 continuation of or building on any trend or momentum, our expectations regarding the payment of any future quarterly dividends, and statements using the terms "looking ahead," "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 2018 on a constant currency basis relative to fiscal 2017 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 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 consultants and personnel; the decline or reduction in project work or activity; global economic conditions including less stable political and economic environments; foreign currency exchange rate fluctuations; unanticipated expenses and liabilities; risks inherent in international operations; changes in tax law or accounting standards, rules, and regulations; our ability to collect on forgivable loans should any become due; and professional and other legal liability or settlements. Additional risks and uncertainties are discussed in our periodic filings with the Securities and Exchange Commission under the heading "Risk Factors." The inclusion of such forward-looking information should not be regarded as our representation that the future events, plans, or expectations contemplated will be achieved. We undertake no obligation to update any forward-looking statements after the date of this press release, and we do not intend to do so.*



**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE QUARTER ENDED SEPTEMBER 29, 2018 COMPARED TO THE QUARTER ENDED SEPTEMBER 30, 2017**  
(In thousands, except per share data)

	Quarter Ended September 29, 2018					Quarter Ended September 30, 2017				
	GAAP			Non-GAAP	GAAP			Non-GAAP		
	GAAP Results	% of Revenues	Adjustments to GAAP Results (1)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	Adjustments to GAAP Results (2)	Non-GAAP Results	% of Revenues
Revenues	\$ 103,871	100.0%	\$ —	\$ 103,871	100.0%	\$ 91,325	100.0%	\$ —	\$ 91,325	100.0%
Cost of services (exclusive of depreciation and amortization)	73,717	71.0%	2,273	71,444	68.8%	62,422	68.4%	429	61,993	67.9%
Selling, general and administrative expenses	22,293	21.5%	—	22,293	21.5%	20,803	22.8%	26	20,777	22.8%
Depreciation and amortization	2,636	2.5%	—	2,636	2.5%	2,453	2.7%	—	2,453	2.7%
Income (loss) from operations	5,225	5.0%	(2,273)	7,498	7.2%	5,647	6.2%	(455)	6,102	6.7%
Interest and other income (expense), net	(286)	-0.3%	—	(286)	-0.3%	(112)	-0.1%	—	(112)	-0.1%
Income (loss) before provision for income taxes and noncontrolling interest	4,939	4.8%	(2,273)	7,212	6.9%	5,535	6.1%	(455)	5,990	6.6%
Provision for income taxes	1,031	1.0%	(607)	1,638	1.6%	2,310	2.5%	(221)	2,531	2.8%
Net income (loss)	3,908	3.8%	(1,666)	5,574	5.4%	3,225	3.5%	(234)	3,459	3.8%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	(11)	0.0%	(11)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	<u>\$ 3,908</u>	<u>3.8%</u>	<u>\$ (1,666)</u>	<u>\$ 5,574</u>	<u>5.4%</u>	<u>\$ 3,214</u>	<u>3.5%</u>	<u>\$ (245)</u>	<u>\$ 3,459</u>	<u>3.8%</u>
Net Income per share attributable to CRA International, Inc.:										
Basic	<u>\$ 0.48</u>			<u>\$ 0.69</u>		<u>\$ 0.39</u>			<u>\$ 0.42</u>	
Diluted	<u>\$ 0.46</u>			<u>\$ 0.65</u>		<u>\$ 0.38</u>			<u>\$ 0.41</u>	
Weighted average number of shares outstanding:										
Basic	<u>8,048</u>			<u>8,048</u>		<u>8,149</u>			<u>8,149</u>	
Diluted	<u>8,548</u>			<u>8,548</u>		<u>8,353</u>			<u>8,353</u>	

(1) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration.

(2) These adjustments exclude activity related to CRA's GNU123 Liquidating Corporation subsidiary, which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to valuation changes in contingent consideration.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE YEAR-TO-DATE PERIOD ENDED SEPTEMBER 29, 2018 COMPARED TO THE YEAR-TO-DATE PERIOD ENDED SEPTEMBER 30, 2017**

(In thousands, except per share data)

	Year-to-Date Period Ended September 29, 2018					Year-to-Date Period Ended September 30, 2017				
	GAAP		Adjustments to GAAP Results (1)	Non-GAAP		GAAP		Adjustments to GAAP Results (2)	Non-GAAP	
	GAAP Results	% of Revenues		GAAP Results	% of Revenues	GAAP Results	% of Revenues		GAAP Results	% of Revenues
Revenues	\$308,885	100.0%	\$ —	\$308,885	100.0%	\$273,059	100.0%	\$ —	\$273,059	100.0%
Cost of services (exclusive of depreciation and amortization)	212,813	68.9%	427	212,386	68.8%	190,223	69.7%	726	189,497	69.4%
Selling, general and administrative expenses	67,682	21.9%	555	67,127	21.7%	59,778	21.9%	640	59,138	21.7%
Depreciation and amortization	7,300	2.4%	—	7,300	2.4%	6,652	2.4%	—	6,652	2.4%
Income (loss) from operations	21,090	6.8%	(982)	22,072	7.1%	16,406	6.0%	(1,366)	17,772	6.5%
Interest and other income (expense), net	(488)	-0.2%	—	(488)	-0.2%	(344)	-0.1%	250	(594)	-0.2%
Income (loss) before provision for income taxes and noncontrolling interest	20,602	6.7%	(982)	21,584	7.0%	16,062	5.9%	(1,116)	17,178	6.3%
Provision for income taxes	4,969	1.6%	26	4,943	1.6%	6,100	2.2%	(604)	6,704	2.5%
Net income (loss)	15,633	5.1%	(1,008)	16,641	5.4%	9,962	3.6%	(512)	10,474	3.8%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	(82)	0.0%	(82)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ 15,633	5.1%	\$ (1,008)	\$ 16,641	5.4%	\$ 9,880	3.6%	\$ (594)	\$ 10,474	3.8%
Net Income per share attributable to CRA International, Inc.:										
Basic	\$ 1.91		\$ 2.03		\$ 1.18		\$ 1.25			
Diluted	\$ 1.81		\$ 1.92		\$ 1.15		\$ 1.22			
Weighted average number of shares outstanding:										
Basic	8,129		8,129		8,332		8,332			
Diluted	8,615		8,615		8,530		8,530			

(1) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, net costs related to a lease recapture, and additional transition effects in connection with the Tax Cuts and Jobs Act.

(2) These adjustments exclude activity related to CRA's GNU123 Liquidating Corporation subsidiary, which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to impairments on certain intangible assets and valuation changes in contingent consideration.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED NON-GAAP EBITDA AND RECONCILIATION TO NET INCOME**  
**FOR THE FISCAL QUARTER AND YEAR-TO-DATE PERIODS ENDED SEPTEMBER 29, 2018 COMPARED TO THE FISCAL QUARTER**  
**AND YEAR-TO-DATE PERIODS ENDED SEPTEMBER 30, 2017**  
(In thousands)

	Quarter Ended September 29, 2018					Quarter Ended September 30, 2017				
	GAAP		Adjustments to GAAP Results (1)	Non-GAAP		GAAP		Adjustments to GAAP Results (3)	Non-GAAP	
	Revenues	% of		Revenues	% of	Revenues	% of		Revenues	% of
Revenues	\$ 103,871	100.0%	\$ —	\$ 103,871	100.0%	\$ 91,325	100.0%	\$ —	\$ 91,325	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 3,908	3.8%	(1,666)	\$ 5,574	5.4%	\$ 3,214	3.5%	(245)	\$ 3,459	3.8%
Net income (loss) attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	11	0.0%	11	—	0.0%
Net income (loss)	3,908	3.8%	(1,666)	5,574	5.4%	3,225	3.5%	(234)	3,459	3.8%
Interest expense, net	222	0.2%	—	222	0.2%	116	0.1%	—	116	0.1%
Provision for income taxes	1,031	1.0%	(607)	1,638	1.6%	2,310	2.5%	(221)	2,531	2.8%
Depreciation and amortization	2,636	2.5%	—	2,636	2.5%	2,453	2.7%	—	2,453	2.7%
EBITDA	\$ 7,797	7.5%	(2,273)	\$ 10,070	9.7%	\$ 8,104	8.9%	(455)	\$ 8,559	9.4%
	Year-to-Date Period Ended September 29, 2018					Year-to-Date Period Ended September 30, 2017				
	GAAP		Adjustments to GAAP Results (2)	Non-GAAP		GAAP		Adjustments to GAAP Results (3) (4)	Non-GAAP	
	Revenues	% of		Revenues	% of	Revenues	% of		Revenues	% of
Revenues	\$ 308,885	100.0%	\$ —	\$ 308,885	100.0%	\$ 273,059	100.0%	\$ —	\$ 273,059	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 15,633	5.1%	(1,008)	\$ 16,641	5.4%	\$ 9,880	3.6%	(594)	\$ 10,474	3.8%
Net income (loss) attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	82	0.0%	82	—	0.0%
Net income (loss)	15,633	5.1%	(1,008)	16,641	5.4%	9,962	3.6%	(512)	10,474	3.8%
Interest expense, net	560	0.2%	—	560	0.2%	361	0.1%	—	361	0.1%
Provision for income taxes	4,969	1.6%	26	4,943	1.6%	6,100	2.2%	(604)	6,704	2.5%
Depreciation and amortization	7,300	2.4%	—	7,300	2.4%	6,652	2.4%	—	6,652	2.4%
EBITDA	\$ 28,462	9.2%	(982)	\$ 29,444	9.5%	\$ 23,075	8.5%	(1,116)	\$ 24,191	8.9%

(1) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration.

(2) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, net costs related to a lease recapture, and additional transition effects in connection with the Tax Cuts and Jobs Act.

(3) These adjustments exclude activity related to CRA's GNU123 Liquidating Corporation subsidiary, which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to valuation changes in contingent consideration.

(4) These adjustments also exclude non-cash amounts relating principally to impairments on certain intangible assets.

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

	<u>September 29, 2018</u>	<u>December 30, 2017</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 11,863	\$ 54,035
Accounts receivable and unbilled services, net	131,573	113,333
Other current assets	17,247	16,913
<b>Total current assets</b>	<u>160,683</u>	<u>184,281</u>
Property and equipment, net	50,068	44,643
Goodwill and intangible assets, net	96,751	98,208
Other assets	47,145	34,625
<b>Total assets</b>	<u>\$ 354,647</u>	<u>\$ 361,757</u>
<b>Liabilities and shareholders' equity</b>		
Accounts payable	\$ 23,808	\$ 18,473
Accrued expenses	81,898	94,573
Borrowings on revolving line of credit	5,000	—
Other current liabilities	6,384	8,935
<b>Total current liabilities</b>	<u>117,090</u>	<u>121,981</u>
Non-current liabilities	37,014	32,547
<b>Total liabilities</b>	<u>154,104</u>	<u>154,528</u>
<b>Total shareholders' equity</b>	<u>200,543</u>	<u>207,229</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 354,647</u>	<u>\$ 361,757</u>

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

	<u>Fiscal Year-to-Date</u> <u>September 29,</u> <u>2018</u>	<u>Fiscal Year-to-Date</u> <u>September 30,</u> <u>2017</u>
<b>Operating activities:</b>		
Net income	\$ 15,633	\$ 9,962
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
GNU gain on sale of business assets	—	(250)
Non-cash items, net	15,441	15,094
Accounts receivable and unbilled services	(19,566)	(25,713)
Working capital items, net	(19,902)	8,698
Net cash provided by (used in) operating activities	(8,394)	7,791
<b>Investing activities:</b>		
Cash consideration paid for acquisitions	—	(16,163)
Purchases of property and equipment	(13,379)	(5,366)
GNU cash proceeds from sale of business assets	—	250
Net cash used in investing activities	(13,379)	(21,279)
<b>Financing activities:</b>		
Issuance of common stock, principally stock option exercises	1,387	2,950
Borrowings under revolving line of credit	30,161	11,500
Repayments under revolving line of credit	(24,599)	(11,500)
Tax withholding payments reimbursed by restricted shares	(1,783)	(703)
Cash paid on dividend equivalents	(98)	(25)
Cash dividend paid to shareholders	(4,168)	(3,529)
Repurchases of common stock	(20,389)	(19,528)
Distribution to noncontrolling interest	(41)	—
Net cash used in financing activities	(19,530)	(20,835)
Effect of foreign exchange rates on cash and cash equivalents	(869)	1,692
Net decrease in cash and cash equivalents	(42,172)	(32,631)
Cash and cash equivalents at beginning of period	54,035	53,530
Cash and cash equivalents at end of period	\$ 11,863	\$ 20,899
<b>Noncash investing and financing activities:</b>		
Issuance of common stock for acquired business	\$ —	\$ 3,044
Purchases of property and equipment not yet paid for	\$ 1,852	\$ 2,568
Purchases of property and equipment paid by a third party	\$ —	\$ 1,640
Asset retirement obligations	\$ 217	\$ —
<b>Supplemental cash flow information:</b>		
Cash paid for income taxes	\$ 3,409	\$ 7,297
Cash paid for interest	\$ 380	\$ 248

FINAL FOR RELEASE



**CHARLES RIVER ASSOCIATES (CRA)  
THIRD QUARTER FISCAL YEAR 2018  
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 November 1, 2018 at 10:00 a.m. ET. These prepared remarks will not be read on the call.

**Q3 Fiscal 2018 Summary (Quarter ended September 29, 2018)**

- Revenue: \$103.9 million
- Net income: \$3.9 million, or 3.8% of revenue; non-GAAP net income: \$5.6 million, or 5.4% of revenue
- Net income per diluted share: \$0.46; non-GAAP net income per diluted share: \$0.65
- Operating margin: 5.0%; non-GAAP operating margin: 7.2%
- Non-GAAP EBITDA: \$10.1 million, or 9.7% of revenue
- Effective tax rate: 20.9%; non-GAAP effective tax rate: 22.7%
- Utilization: 76%
- Consultant headcount at the end of Q3 of fiscal 2018: 685, which consists of 125 officers, 367 other senior staff and 193 junior staff
- Cash and cash equivalents: \$11.9 million at September 29, 2018

**Revenue**

For Q3 of fiscal 2018, revenue was \$103.9 million, compared with revenue of \$91.3 million for Q3 of fiscal 2017.

## Headcount

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

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Officers	125	127	131	124	128
Other Senior Staff	367	343	361	352	354
Junior Staff	193	158	155	155	157
<b>Total</b>	<b>685</b>	<b>628</b>	<b>647</b>	<b>631</b>	<b>639</b>

## Utilization

For Q3 of fiscal 2018, companywide utilization was 76%, compared with 74% for Q3 of fiscal 2017.

## Client Reimbursable Expense

For Q3 of fiscal 2018, on a GAAP and non-GAAP basis, client reimbursable expense was \$11.4 million, or 11.0% of revenue, compared with \$9.7 million, or 10.6% of revenue, for Q3 of fiscal 2017. Client reimbursable expense is reflected in cost of services.

## Contingent Consideration Impact on Cost of Services

For Q3 of fiscal 2018, on a GAAP basis, cost of services increased by \$2.3 million due to valuation changes in contingent consideration, compared with an increase of \$0.4 million for Q3 of fiscal 2017. On a non-GAAP basis, cost of services excludes these amounts.

## SG&A Expenses

For Q3 of fiscal 2018, on a GAAP and non-GAAP basis, SG&A expenses were \$22.3 million, or 21.5% of revenue, compared with \$20.8 million, or 22.8% of revenue on a GAAP and non-GAAP basis for Q3 of fiscal 2017.

Commissions to non-employee experts are included in SG&A expenses. On a non-GAAP basis, these commissions represented 2.7% of revenue for Q3 of fiscal 2018, compared with 2.5% in Q3 of fiscal 2017. Excluding these commissions, on a non-GAAP basis, SG&A expenses were 18.7% of revenue for Q3 of fiscal 2018, compared with 20.2% of revenue for Q3 of fiscal 2017.

## Depreciation & Amortization

For Q3 of fiscal 2018, on a GAAP and non-GAAP basis, depreciation and amortization expense was \$2.6 million, or 2.5% of revenue, compared with \$2.5 million, or 2.7% of revenue, for Q3 of fiscal 2017.

### Forgivable Loan Amortization

For Q3 of fiscal 2018, on a GAAP and non-GAAP basis, forgivable loan amortization was \$6.4 million, or 6.2% of revenue, compared with \$4.7 million, or 5.2% of revenue, for Q3 of fiscal 2017. Forgivable loan amortization is principally reflected in cost of services.

### Share-Based Compensation Expense

For Q3 of fiscal 2018, on a GAAP and non-GAAP basis, share-based compensation expense was \$1.3 million, or 1.2% of revenue, compared with \$1.6 million, or 1.7% of revenue, for Q3 of fiscal 2017. Share-based compensation expense is reflected in both cost of services and SG&A expenses.

### Operating Income

For Q3 of fiscal 2018, operating income was \$5.2 million, or 5.0% of revenue, compared with operating income of \$5.6 million, or 6.2% of revenue, for Q3 of fiscal 2017. Non-GAAP operating income was \$7.5 million, or 7.2% of revenue, for Q3 of fiscal 2018, compared with \$6.1 million, or 6.7% of revenue, for Q3 of fiscal 2017.

### Interest and Other Income (Expense), net

For Q3 of fiscal 2018, interest and other income, net was \$286,000 on a GAAP and non-GAAP basis. This compares with interest and other expense, net of \$112,000 on a GAAP and non-GAAP basis for Q3 of fiscal 2017.

### Income Taxes

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

	GAAP		NON-GAAP	
	2018	2017	2018	2017
Tax Provision	\$ 1,031	\$ 2,310	\$ 1,638	\$ 2,531
Effective Tax Rate	20.9%	41.7%	22.7%	42.3%

### Net Income

For Q3 of fiscal 2018, net income was \$3.9 million, or 3.8% of revenue, or \$0.46 per diluted share, compared with net income of \$3.2 million, or 3.5% of revenue, or \$0.38 per diluted share, for Q3 of fiscal 2017. Non-GAAP net income for Q3 of fiscal 2018 was \$5.6 million, or 5.4% of revenue, or \$0.65 per diluted share, compared with non-GAAP net income of \$3.5 million, or 3.8% of revenue, or \$0.41 per diluted share, for Q3 of fiscal 2017.



## **Non-GAAP EBITDA**

For Q3 of fiscal 2018, non-GAAP EBITDA was \$10.1 million, or 9.7% of revenue, compared with \$8.6 million, or 9.4% of revenue, for Q3 of fiscal 2017.

## **Constant Currency Basis**

For Q3 of fiscal 2018, revenue was \$103.9 million, and net income was \$3.9 million, or 3.8% of revenue, or \$0.46 per diluted share. On a constant currency basis relative to Q3 of fiscal 2017, Q3 of fiscal 2018 revenue would have been higher by \$0.2 million to \$104.1 million, net income would have remained unchanged at \$3.9 million, or 3.8% of revenue, and earnings per diluted share would have remained unchanged at \$0.46.

As of the end of Q3 of fiscal 2018, year-to-date revenue was \$308.9 million, and year-to-date net income was \$15.6 million, or 5.1% of revenue, or \$1.81 per diluted share. On a constant currency basis relative to the year-to-date period as of the end of Q3 of fiscal 2017, year-to-date revenue would have been lower by \$3.3 million to \$305.6 million, year-to-date net income would have remained unchanged at \$15.6 million, or 5.1% of revenue, and earnings per diluted share would have been lower by approximately \$0.01 to \$1.80 per diluted share.

For Q3 of fiscal 2018, revenue was \$103.9 million, non-GAAP net income was \$5.6 million, or 5.4% of revenue, or \$0.65 per diluted share, and non-GAAP EBITDA was \$10.1 million, or 9.7% of revenue. On a constant currency basis relative to Q3 of fiscal 2017, Q3 of fiscal 2018 revenue would have been higher by \$0.2 million to \$104.1 million, while non-GAAP net income would have remained unchanged at \$5.6 million, or 5.4% of revenue, non-GAAP earnings per diluted share would have remained unchanged at \$0.65, and non-GAAP EBITDA would have remained unchanged at \$10.1 million, or 9.7% of revenue.

As of the end of Q3 of fiscal 2018, year-to-date revenue was \$308.9 million, non-GAAP net income was \$16.6 million, or 5.4% of revenue, or \$1.92 per diluted share, and non-GAAP EBITDA was \$29.4 million, or 9.5% of revenue. On a constant currency basis relative to the year-to-date period as of the end of Q3 of fiscal 2017, year-to-date revenue would have been lower by \$3.3 million to \$305.6 million, year-to-date non-GAAP net income would have remained unchanged at \$16.6 million, or 5.4% of revenue, or \$1.92 per diluted share, and non-GAAP EBITDA would have been lower by \$0.1 million to \$29.3 million, or 9.6% 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 September 29, 2018 were \$131.6 million, compared with \$118.4 million at September 30, 2017. Current liabilities at September 29, 2018 were \$117.1 million, compared with \$97.4 million at September 30, 2017.

Total DSO for Q3 of fiscal 2018 were 112 days, consisting of 74 days of billed and 38 days of unbilled. This compares with 114 days reported for Q3 of fiscal 2017, consisting of 73 days of billed and 41 days of unbilled.

At the end of Q3 of fiscal 2018, we had outstanding borrowings on our line of credit in the amount of \$5.0 million, compared with zero outstanding borrowings on our line of credit at the end of Q3 of fiscal 2017.

## Cash and Cash Flow

Cash and cash equivalents were \$11.9 million at September 29, 2018, compared with \$20.9 million at September 30, 2017.

Net cash provided by operating activities for Q3 of fiscal 2018 was \$23.9 million, compared with net cash provided by operating activities of \$16.5 million for Q3 of fiscal 2017.

Capital expenditures totaled \$4.3 million for Q3 of fiscal 2018, compared with \$2.7 million for Q3 of fiscal 2017.

During Q3 of fiscal 2018, no shares of common stock were repurchased, compared with Q3 of fiscal 2017, when approximately 166,000 shares of common stock were repurchased for \$6.1 million.

A quarterly cash dividend of \$0.17 per common share, for total dividends of \$1.4 million, was paid in Q3 of fiscal 2018, compared with a quarterly cash dividend of \$0.14 per common share, for total dividends of \$1.2 million, in Q3 of fiscal 2017.

## 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 financial measures that were not calculated in accordance with GAAP. CRA believes that the non-GAAP financial measures described below are important to management and investors because these measures 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 described below are made to the performance measures for some of CRA's performance-based compensation.

The adjustments made to the financial measures identified in these remarks as “non-GAAP” are as follows: for the third quarter of fiscal 2018, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration; for the year to date period ending September 29, 2018, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, net costs related to a lease recapture, and additional transition effects in connection with the Tax Cuts and Jobs Act; for the third quarter of fiscal 2017, the adjustments exclude activity related to CRA’s GNU123 Liquidating Corporation subsidiary (“GNU”), which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to valuation changes in contingent consideration; and for the year to date period ended September 30, 2017, the adjustments exclude activity related to GNU and non-cash amounts relating principally to impairments on certain intangible assets and valuation changes in contingent consideration. 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. Finally, these remarks also present the non-GAAP financial metric EBITDA.

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 in the financial tables appended to the end of these remarks. 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.

A reconciliation between the historical GAAP and non-GAAP financial measures presented in these remarks is provided in CRA’s third quarter fiscal 2018 press release posted to the Investor Relations section of CRA’s website at <http://www.crai.com> and in the financial tables below.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE QUARTER ENDED SEPTEMBER 29, 2018 COMPARED TO THE QUARTER ENDED SEPTEMBER 30, 2017**  
(In thousands, except per share data)

	Quarter Ended September 29, 2018					Quarter Ended September 30, 2017				
	GAAP			Non-GAAP		GAAP			Non-GAAP	
	GAAP Results	% of Revenues	Adjustments to GAAP Results (1)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	Adjustments to GAAP Results (2)	Non-GAAP Results	% of Revenues
Revenues	\$ 103,871	100.0%	\$ —	\$ 103,871	100.0%	\$ 91,325	100.0%	\$ —	\$ 91,325	100.0%
Cost of services (exclusive of depreciation and amortization)	73,717	71.0%	2,273	71,444	68.8%	62,422	68.4%	429	61,993	67.9%
Selling, general and administrative expenses	22,293	21.5%	—	22,293	21.5%	20,803	22.8%	26	20,777	22.8%
Depreciation and amortization	2,636	2.5%	—	2,636	2.5%	2,453	2.7%	—	2,453	2.7%
Income (loss) from operations	5,225	5.0%	(2,273)	7,498	7.2%	5,647	6.2%	(455)	6,102	6.7%
Interest and other income (expense), net	(286)	-0.3%	—	(286)	-0.3%	(112)	-0.1%	—	(112)	-0.1%
Income (loss) before provision for income taxes and noncontrolling interest	4,939	4.8%	(2,273)	7,212	6.9%	5,535	6.1%	(455)	5,990	6.6%
Provision for income taxes	1,031	1.0%	(607)	1,638	1.6%	2,310	2.5%	(221)	2,531	2.8%
Net income (loss)	3,908	3.8%	(1,666)	5,574	5.4%	3,225	3.5%	(234)	3,459	3.8%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	(11)	0.0%	(11)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	<u>\$ 3,908</u>	<u>3.8%</u>	<u>\$ (1,666)</u>	<u>\$ 5,574</u>	<u>5.4%</u>	<u>\$ 3,214</u>	<u>3.5%</u>	<u>\$ (245)</u>	<u>\$ 3,459</u>	<u>3.8%</u>
Net Income per share attributable to CRA International, Inc.:										
Basic	<u>\$ 0.48</u>			<u>\$ 0.69</u>		<u>\$ 0.39</u>			<u>\$ 0.42</u>	
Diluted	<u>\$ 0.46</u>			<u>\$ 0.65</u>		<u>\$ 0.38</u>			<u>\$ 0.41</u>	
Weighted average number of shares outstanding:										
Basic	<u>8,048</u>			<u>8,048</u>		<u>8,149</u>			<u>8,149</u>	
Diluted	<u>8,548</u>			<u>8,548</u>		<u>8,353</u>			<u>8,353</u>	

(1) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration.

(2) These adjustments exclude activity related to CRA's GNU123 Liquidating Corporation subsidiary, which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to valuation changes in contingent consideration.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE YEAR-TO-DATE PERIOD ENDED SEPTEMBER 29, 2018 COMPARED TO THE YEAR-TO-DATE PERIOD ENDED SEPTEMBER 30, 2017**

(In thousands, except per share data)

	Year-to-Date Period Ended September 29, 2018					Year-to-Date Period Ended September 30, 2017				
	GAAP		Adjustments to GAAP Results (1)	Non-GAAP		GAAP		Adjustments to GAAP Results (2)	Non-GAAP	
	GAAP Results	% of Revenues		GAAP Results	% of Revenues	GAAP Results	% of Revenues		GAAP Results	% of Revenues
Revenues	\$308,885	100.0%	\$ —	\$308,885	100.0%	\$273,059	100.0%	\$ —	\$273,059	100.0%
Cost of services (exclusive of depreciation and amortization)	212,813	68.9%	427	212,386	68.8%	190,223	69.7%	726	189,497	69.4%
Selling, general and administrative expenses	67,682	21.9%	555	67,127	21.7%	59,778	21.9%	640	59,138	21.7%
Depreciation and amortization	7,300	2.4%	—	7,300	2.4%	6,652	2.4%	—	6,652	2.4%
Income (loss) from operations	21,090	6.8%	(982)	22,072	7.1%	16,406	6.0%	(1,366)	17,772	6.5%
Interest and other income (expense), net	(488)	-0.2%	—	(488)	-0.2%	(344)	-0.1%	250	(594)	-0.2%
Income (loss) before provision for income taxes and noncontrolling interest	20,602	6.7%	(982)	21,584	7.0%	16,062	5.9%	(1,116)	17,178	6.3%
Provision for income taxes	4,969	1.6%	26	4,943	1.6%	6,100	2.2%	(604)	6,704	2.5%
Net income (loss)	15,633	5.1%	(1,008)	16,641	5.4%	9,962	3.6%	(512)	10,474	3.8%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	(82)	0.0%	(82)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ 15,633	5.1%	\$ (1,008)	\$ 16,641	5.4%	\$ 9,880	3.6%	\$ (594)	\$ 10,474	3.8%
Net Income per share attributable to CRA International, Inc.:										
Basic	\$ 1.91		\$ 2.03		\$ 1.18		\$ 1.25			
Diluted	\$ 1.81		\$ 1.92		\$ 1.15		\$ 1.22			
Weighted average number of shares outstanding:										
Basic	8,129		8,129		8,332		8,332			
Diluted	8,615		8,615		8,530		8,530			

(1) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, net costs related to a lease recapture, and additional transition effects in connection with the Tax Cuts and Jobs Act.

(2) These adjustments exclude activity related to CRA's GNU123 Liquidating Corporation subsidiary, which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to impairments on certain intangible assets and valuation changes in contingent consideration.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED NON-GAAP EBITDA AND RECONCILIATION TO NET INCOME**  
**FOR THE FISCAL QUARTER AND YEAR-TO-DATE PERIODS ENDED SEPTEMBER 29, 2018 COMPARED TO THE FISCAL QUARTER**  
**AND YEAR-TO-DATE PERIODS ENDED SEPTEMBER 30, 2017**  
(In thousands)

	Quarter Ended September 29, 2018					Quarter Ended September 30, 2017				
	GAAP		Adjustments to GAAP Results (1)	Non-GAAP		GAAP		Adjustments to GAAP Results (3)	Non-GAAP	
	Revenues	% of		Revenues	% of	Revenues	% of		Revenues	% of
Revenues	\$ 103,871	100.0%	\$ —	\$ 103,871	100.0%	\$ 91,325	100.0%	\$ —	\$ 91,325	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 3,908	3.8%	\$ (1,666)	\$ 5,574	5.4%	\$ 3,214	3.5%	\$ (245)	\$ 3,459	3.8%
Net income (loss) attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	11	0.0%	11	—	0.0%
Net income (loss)	3,908	3.8%	(1,666)	5,574	5.4%	3,225	3.5%	(234)	3,459	3.8%
Interest expense, net	222	0.2%	—	222	0.2%	116	0.1%	—	116	0.1%
Provision for income taxes	1,031	1.0%	(607)	1,638	1.6%	2,310	2.5%	(221)	2,531	2.8%
Depreciation and amortization	2,636	2.5%	—	2,636	2.5%	2,453	2.7%	—	2,453	2.7%
EBITDA	\$ 7,797	7.5%	\$ (2,273)	\$ 10,070	9.7%	\$ 8,104	8.9%	\$ (455)	\$ 8,559	9.4%
	Year-to-Date Period Ended September 29, 2018					Year-to-Date Period Ended September 30, 2017				
	GAAP		Adjustments to GAAP Results (2)	Non-GAAP		GAAP		Adjustments to GAAP Results (3) (4)	Non-GAAP	
	Revenues	% of		Revenues	% of	Revenues	% of		Revenues	% of
Revenues	\$ 308,885	100.0%	\$ —	\$ 308,885	100.0%	\$ 273,059	100.0%	\$ —	\$ 273,059	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 15,633	5.1%	\$ (1,008)	\$ 16,641	5.4%	\$ 9,880	3.6%	\$ (594)	\$ 10,474	3.8%
Net income (loss) attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	82	0.0%	82	—	0.0%
Net income (loss)	15,633	5.1%	(1,008)	16,641	5.4%	9,962	3.6%	(512)	10,474	3.8%
Interest expense, net	560	0.2%	—	560	0.2%	361	0.1%	—	361	0.1%
Provision for income taxes	4,969	1.6%	26	4,943	1.6%	6,100	2.2%	(604)	6,704	2.5%
Depreciation and amortization	7,300	2.4%	—	7,300	2.4%	6,652	2.4%	—	6,652	2.4%
EBITDA	\$ 28,462	9.2%	\$ (982)	\$ 29,444	9.5%	\$ 23,075	8.5%	\$ (1,116)	\$ 24,191	8.9%

(1) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration.

(2) These adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, net costs related to a lease recapture, and additional transition effects in connection with the Tax Cuts and Jobs Act.

(3) These adjustments exclude activity related to CRA's GNU123 Liquidating Corporation subsidiary, which sold substantially all of its assets in April 2016, and non-cash amounts relating principally to valuation changes in contingent consideration.

(4) These adjustments also exclude non-cash amounts relating principally to impairments on certain intangible assets.

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

	<u>September 29, 2018</u>	<u>December 30, 2017</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 11,863	\$ 54,035
Accounts receivable and unbilled services, net	131,573	113,333
Other current assets	17,247	16,913
<b>Total current assets</b>	<u>160,683</u>	<u>184,281</u>
Property and equipment, net	50,068	44,643
Goodwill and intangible assets, net	96,751	98,208
Other assets	47,145	34,625
<b>Total assets</b>	<u>\$ 354,647</u>	<u>\$ 361,757</u>
<b>Liabilities and shareholders' equity</b>		
Accounts payable	\$ 23,808	\$ 18,473
Accrued expenses	81,898	94,573
Borrowings on revolving line of credit	5,000	—
Other current liabilities	6,384	8,935
<b>Total current liabilities</b>	<u>117,090</u>	<u>121,981</u>
Non-current liabilities	37,014	32,547
<b>Total liabilities</b>	<u>154,104</u>	<u>154,528</u>
<b>Total shareholders' equity</b>	<u>200,543</u>	<u>207,229</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 354,647</u>	<u>\$ 361,757</u>

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

	<u>Fiscal Year-to-Date</u> <u>September 29,</u> <u>2018</u>	<u>Fiscal Year-to-Date</u> <u>September 30,</u> <u>2017</u>
<b>Operating activities:</b>		
Net income	\$ 15,633	\$ 9,962
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
GNU gain on sale of business assets	—	(250)
Non-cash items, net	15,441	15,094
Accounts receivable and unbilled services	(19,566)	(25,713)
Working capital items, net	(19,902)	8,698
Net cash provided by (used in) operating activities	(8,394)	7,791
<b>Investing activities:</b>		
Cash consideration paid for acquisitions	—	(16,163)
Purchases of property and equipment	(13,379)	(5,366)
GNU cash proceeds from sale of business assets	—	250
Net cash used in investing activities	(13,379)	(21,279)
<b>Financing activities:</b>		
Issuance of common stock, principally stock option exercises	1,387	2,950
Borrowings under revolving line of credit	30,161	11,500
Repayments under revolving line of credit	(24,599)	(11,500)
Tax withholding payments reimbursed by restricted shares	(1,783)	(703)
Cash paid on dividend equivalents	(98)	(25)
Cash dividend paid to shareholders	(4,168)	(3,529)
Repurchases of common stock	(20,389)	(19,528)
Distribution to noncontrolling interest	(41)	—
Net cash used in financing activities	(19,530)	(20,835)
Effect of foreign exchange rates on cash and cash equivalents	(869)	1,692
Net decrease in cash and cash equivalents	(42,172)	(32,631)
Cash and cash equivalents at beginning of period	54,035	53,530
Cash and cash equivalents at end of period	\$ 11,863	\$ 20,899
<b>Noncash investing and financing activities:</b>		
Issuance of common stock for acquired business	\$ —	\$ 3,044
Purchases of property and equipment not yet paid for	\$ 1,852	\$ 2,568
Purchases of property and equipment paid by a third party	\$ —	\$ 1,640
Asset retirement obligations	\$ 217	\$ —
<b>Supplemental cash flow information:</b>		
Cash paid for income taxes	\$ 3,409	\$ 7,297
Cash paid for interest	\$ 380	\$ 248



**FINAL FOR RELEASE****Contacts:**

Chad Holmes  
Chief Financial Officer  
Charles River Associates  
312-377-2322

Jamie Bernard  
Senior Associate  
Sharon Merrill Associates, Inc.  
617-542-5300

**CHARLES RIVER ASSOCIATES (CRA) INCREASES QUARTERLY DIVIDEND 18% FROM \$0.17 TO \$0.20 PER SHARE**

BOSTON, November 1, 2018 — 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 an increased quarterly cash dividend of \$0.20 per share to be paid on December 21, 2018 to shareholders of record of CRA's common stock as of the close of business on November 27, 2018. "We are pleased to announce this 18% increase as we mark the second anniversary of CRA's first quarterly cash dividend payment," said Paul Maleh, CRA's President and Chief Executive Officer.

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](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; foreign currency exchange rate fluctuations; unanticipated expenses and liabilities; risks inherent in international operations; changes in tax law or accounting standards, rules, and regulations; our ability to collect on forgivable loans should any become due; and professional and other legal liability or settlements. Additional risks and uncertainties are discussed in our periodic filings with the Securities and Exchange Commission under the heading "Risk Factors." The inclusion of such forward-looking information should not be regarded as our representation that the future events, plans, or expectations contemplated will be achieved. We undertake no obligation to update any forward-looking statements after the date of this press release, and we do not intend to do so.*