

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

FORM 8-K

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

Date of report (Date of earliest event reported): **May 2, 2019**

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.

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

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2019, we issued a press release reporting our financial results for our fiscal quarter ended March 30, 2019. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On May 2, 2019, we also posted on our website supplemental financial information, including prepared CFO remarks. A copy of the supplemental financial information is set forth as Exhibit 99.2 and incorporated by reference herein.

The information contained in Item 2.02 of this report and Exhibits 99.1 and 99.2 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure.

On May 2, 2019, we announced that our board of directors declared a quarterly cash dividend on our common stock of \$0.20 per share to be paid on June 14, 2019 to all shareholders of record as of May 28, 2019. 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	May 2, 2019 earnings press release
99.2	Supplemental financial information (prepared CFO remarks)
99.3	May 2, 2019 dividend press release

SIGNATURES

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

CRA INTERNATIONAL, INC.

Dated: May 2, 2019

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

Contacts:

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**CHARLES RIVER ASSOCIATES (CRA) REPORTS
 FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2019**

*CRA Reports Highest Q1 Revenue in Its History;
 Broad-based Contributions Across Service Portfolio Drive Revenue Growth of 6.4% Year-over-Year*

BOSTON, May 2, 2019 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial and management consulting services, today announced financial results for the fiscal first quarter ended March 30, 2019.

Key First-Quarter Fiscal 2019 Highlights

- Revenue grew 6.4% year over year to \$105.8 million. On a constant currency basis relative to the first quarter of fiscal 2018 (“constant currency basis”), revenue would have been higher by \$1.5 million, resulting in year-over-year revenue growth of 7.9%.
- Utilization was 75%, as quarter-end headcount increased by 40, or 6.2%, year over year.
- Net income was \$4.7 million, or 4.4% of revenue, compared with \$4.9 million, or 4.9% of revenue, in the first quarter of fiscal 2018; non-GAAP net income was \$4.5 million, or 4.3% of revenue, compared with \$5.3 million, or 5.3% of revenue, in the first quarter of fiscal 2018. On a constant currency basis, GAAP and non-GAAP net income would have been lower by \$0.1 million.
- Earnings per diluted share were \$0.56, compared with \$0.57 in the first quarter of fiscal 2018; non-GAAP earnings per diluted share were \$0.54, compared with \$0.61 in the first quarter of fiscal 2018. On a constant currency basis, GAAP and non-GAAP earnings per diluted share would have been lower by \$0.01 per diluted share.
- Non-GAAP EBITDA was \$8.5 million, or 8.0% of revenue, compared with \$8.6 million, or 8.7% of revenue, in the first quarter of fiscal 2018. On a constant currency basis, non-GAAP EBITDA would have been lower by \$0.1 million.
- Net income, earnings per diluted share, and non-GAAP EBITDA for the current period reflect a foreign currency loss of approximately \$750,000 related to the revaluation and realized gains and losses on working capital balances.

- CRA returned \$6.0 million of capital to its shareholders, consisting of \$1.7 million of dividend payments and \$4.3 million for share repurchases of approximately 87,000 shares.

Management Commentary

“I am pleased to report the highest first quarter revenue in CRA’s history,” said Paul Maleh, CRA’s President and Chief Executive Officer. “We completed the quarter with strong performances across our portfolio of practices, once again demonstrating the continued dedication and hard work of our entire team. We delivered 75% company-wide utilization while headcount increased by 6.2%, translating into 7.9% year-over-year revenue growth on a constant currency basis. On the bottom line, we delivered non-GAAP net income of \$4.5 million, or \$0.54 per diluted share. These results were affected by a foreign currency loss, which reduced our non-GAAP net income and earnings per diluted share by approximately \$0.6 million and \$0.07, respectively.

“Looking more closely at the first quarter, we exhibited strength across our geographic footprint,” Maleh said. “Our North American operations grew 6.0%, and our European operations, led by the Antitrust & Competition Economics practice, grew 7.9% year over year. We also continued to enjoy broad-based contributions across our service portfolio with particularly strong performances in our Auctions & Competitive Bidding, Finance, Financial Economics, Forensic Services, Intellectual Property, and Life Sciences practices.”

Outlook and Financial Guidance

“As these first quarter results demonstrate, we continue to see strong demand for our portfolio of services. First quarter lead flow and new project originations were up more than 5% and 10%, respectively, year over year. For the full-year fiscal 2019, on a constant currency basis relative to fiscal 2018, we are reaffirming our previous guidance of revenue in the range of \$430 million to \$445 million, and non-GAAP EBITDA margin in the range of 9.2% to 10.2%. While we are pleased with our operational performance in the first quarter of fiscal 2019, we remain mindful that uncertainties around global economic and political conditions can affect our business,” Maleh concluded.

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 May 2, 2019, CRA's Board of Directors declared a quarterly cash dividend of \$0.20 per common share, payable on June 14, 2019 to shareholders of record as of May 28, 2019. 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 first-quarter 2019 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 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. 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 first quarter of fiscal 2019, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration; for the first quarter of fiscal 2018, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration, and net costs related to lease recapture. 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 impact of exchange rate fluctuations on our financial results, 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 "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 2019 on a constant currency basis relative to fiscal 2018 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 MARCH 30, 2019 COMPARED TO THE QUARTER ENDED MARCH 31, 2018
(In thousands, except per share data)

	Quarter Ended March 30, 2019					Quarter Ended March 31, 2018				
	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	\$105,849	100.0%	\$ —	\$105,849	100.0%	\$ 99,476	100.0%	\$ —	\$ 99,476	100.0%
Cost of services (exclusive of depreciation and amortization)	73,635	69.6%	(217)	73,852	69.8%	69,391	69.8%	(107)	69,498	69.9%
Selling, general and administrative expenses	22,743	21.5%	—	22,743	21.5%	21,650	21.8%	555	21,095	21.2%
Depreciation and amortization	2,616	2.5%	—	2,616	2.5%	2,231	2.2%	—	2,231	2.2%
Income (loss) from operations	6,855	6.5%	217	6,638	6.3%	6,204	6.2%	(448)	6,652	6.7%
Interest and other income (expense), net	(755)	-0.7%	—	(755)	-0.7%	(278)	-0.3%	—	(278)	-0.3%
Income (loss) before provision for income taxes and noncontrolling interest	6,100	5.8%	217	5,883	5.6%	5,926	6.0%	(448)	6,374	6.4%
Provision for income taxes	1,435	1.4%	58	1,377	1.3%	1,040	1.0%	(68)	1,108	1.1%
Net income (loss)	4,665	4.4%	159	4,506	4.3%	4,886	4.9%	(380)	5,266	5.3%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	—	0.0%	—	—	0.0%
Net income (loss) attributable to CRA International, Inc.	<u>\$ 4,665</u>	<u>4.4%</u>	<u>\$ 159</u>	<u>\$ 4,506</u>	<u>4.3%</u>	<u>\$ 4,886</u>	<u>4.9%</u>	<u>\$ (380)</u>	<u>\$ 5,266</u>	<u>5.3%</u>
Net Income (loss) per share attributable to CRA International, Inc.:										
Basic	<u>\$ 0.58</u>			<u>\$ 0.56</u>		<u>\$ 0.59</u>			<u>\$ 0.63</u>	
Diluted	<u>\$ 0.56</u>			<u>\$ 0.54</u>		<u>\$ 0.57</u>			<u>\$ 0.61</u>	
Weighted average number of shares outstanding:										
Basic	<u>8,015</u>			<u>8,015</u>		<u>8,285</u>			<u>8,285</u>	
Diluted	<u>8,346</u>			<u>8,346</u>		<u>8,580</u>			<u>8,580</u>	

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

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

CRA INTERNATIONAL, INC.
UNAUDITED NON-GAAP EBITDA AND RECONCILIATION TO NET INCOME
FOR THE FISCAL QUARTER ENDED MARCH 30, 2019 COMPARED TO THE FISCAL QUARTER ENDED MARCH 31, 2018
(In thousands)

	Quarter Ended March 30, 2019					Quarter Ended March 31, 2018				
	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	\$ 105,849	100.0%	\$ —	\$ 105,849	100.0%	\$ 99,476	100.0%	\$ —	\$ 99,476	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 4,665	4.4%	\$ 159	\$ 4,506	4.3%	\$ 4,886	4.9%	\$ (380)	\$ 5,266	5.3%
Net income (loss) attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	—	0.0%	—	—	0.0%
Net income (loss)	4,665	4.4%	159	4,506	4.3%	4,886	4.9%	(380)	5,266	5.3%
Interest expense, net	11	0.0%	—	11	0.0%	37	0.0%	—	37	0.0%
Provision for income taxes	1,435	1.4%	58	1,377	1.3%	1,040	1.0%	(68)	1,108	1.1%
Depreciation and amortization	2,616	2.5%	—	2,616	2.5%	2,231	2.2%	—	2,231	2.2%
EBITDA	\$ 8,727	8.2%	\$ 217	\$ 8,510	8.0%	\$ 8,194	8.2%	\$ (448)	\$ 8,642	8.7%

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

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

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

	March 30, 2019	December 29, 2018
Assets		
Cash and cash equivalents	\$ 14,958	\$ 38,028
Accounts receivable and unbilled services, net	134,231	130,585
Other current assets	17,584	12,527
Total current assets	166,773	181,140
Property and equipment, net	48,409	48,088
Goodwill and intangible assets, net	96,011	96,054
Right-of-Use Assets	81,480	—
Other assets	59,102	45,564
Total assets	\$ 451,775	\$ 370,846
Liabilities and shareholders' equity		
Accounts payable	\$ 22,530	\$ 21,938
Accrued expenses	72,280	108,233
Revolving line of credit	39,000	—
Current portion of lease liabilities	9,558	—
Other current liabilities	6,056	12,326
Total current liabilities	149,424	142,497
Non-current portion of lease liabilities	94,939	—
Other non-current liabilities	9,522	31,877
Total liabilities	253,885	174,374
Total shareholders' equity	197,890	196,472
Total liabilities and shareholders' equity	\$ 451,775	\$ 370,846

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

	<u>Quarter Ended</u> <u>March 30,</u> <u>2019</u>	<u>Quarter Ended</u> <u>March 31,</u> <u>2018</u>
Operating activities:		
Net income	\$ 4,665	\$ 4,886
Adjustments to reconcile net income to net cash used in operating activities:		
Non-cash items, net	5,840	5,517
Accounts receivable and unbilled services	(2,924)	(5,436)
Working capital items, net	(64,148)	(45,506)
Net cash used in operating activities	<u>(56,567)</u>	<u>(40,539)</u>
Investing activities:		
Purchases of property and equipment	(774)	(3,248)
Net cash used in investing activities	<u>(774)</u>	<u>(3,248)</u>
Financing activities:		
Issuance of common stock, principally stock option exercises	1,526	535
Borrowings under revolving line of credit	39,000	10,000
Tax withholding payments reimbursed by shares	(388)	(1,783)
Cash paid on dividend equivalents	(35)	(98)
Cash dividend paid to shareholders	(1,616)	(1,423)
Repurchases of common stock	(4,349)	(7,230)
Net cash provided by financing activities	<u>34,138</u>	<u>1</u>
Effect of foreign exchange rates on cash and cash equivalents	<u>133</u>	<u>603</u>
Net decrease in cash and cash equivalents	(23,070)	(43,183)
Cash and cash equivalents at beginning of period	<u>38,028</u>	<u>54,035</u>
Cash and cash equivalents at end of period	<u>\$ 14,958</u>	<u>\$ 10,852</u>
Noncash investing and financing activities:		
Repurchases of common stock payable	\$ —	\$ 1,095
Purchases of property and equipment not yet paid for	\$ 1,906	\$ 3,923
Asset retirement obligations	\$ —	\$ 223
Right-of-use assets obtained in exchange for lease obligations	\$ 713	\$ —
Right-of-use assets related to the adoption of ASC 842	\$ 82,329	\$ —
Supplemental cash flow information:		
Cash paid for taxes	\$ 298	\$ 212
Cash paid for interest	\$ 59	\$ 60



**CHARLES RIVER ASSOCIATES (CRA)
FIRST QUARTER FISCAL YEAR 2019
EARNINGS ANNOUNCEMENT
PREPARED CFO REMARKS**

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

As previously announced, the conference call will be held May 2, 2019 at 10:00 a.m. ET. These prepared remarks will not be read on the call.

Q1 Fiscal 2019 Summary (Quarter ended March 30, 2019)

- Revenue: \$105.8 million
- Net income: \$4.7 million, or 4.4% of revenue; non-GAAP net income: \$4.5 million, or 4.3% of revenue
- Net income per diluted share: \$0.56; non-GAAP net income per diluted share: \$0.54
- Operating margin: 6.5%; non-GAAP operating margin: 6.3%
- Non-GAAP EBITDA: \$8.5 million, or 8.0% of revenue
- Effective tax rate: 23.5%; non-GAAP effective tax rate: 23.4%
- Utilization: 75%
- Consultant headcount at the end of Q1 of fiscal 2019: 687, which consists of 123 officers, 387 other senior staff and 177 junior staff
- Cash and cash equivalents: \$15.0 million at March 30, 2019

Revenue

For Q1 of fiscal 2019, revenue was \$105.8 million, compared with revenue of \$99.5 million for Q1 of fiscal 2018.

Headcount

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

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Officers	123	124	125	127	131
Other Senior Staff	387	375	367	343	361
Junior Staff	177	188	193	158	155
Total	687	687	685	628	647

Utilization

For Q1 of fiscal 2019, companywide utilization was 75%, compared with 73% for Q1 of fiscal 2018.

Client Reimbursables

For Q1 of fiscal 2019, on a GAAP and non-GAAP basis, client reimbursables were \$12.8 million, or approximately 12.1% of revenue, compared with \$11.2 million, or 11.3% of revenue, for Q1 of fiscal 2018.

Contingent Liability

For Q1 of fiscal 2019, the estimated value of the contingent consideration obligation decreased by \$0.2 million to \$6.0 million at March 30, 2019, which is reported as a component of cost of services (exclusive of depreciation and amortization) for Q1 of fiscal 2019.

SG&A Expenses

For Q1 of fiscal 2019, SG&A expenses were \$22.7 million, or 21.5% of revenue, compared with \$21.7 million, or 21.8% of revenue, for Q1 of fiscal 2018. On a non-GAAP basis, SG&A expenses were \$22.7 million, or 21.5% of non-GAAP revenue, for Q1 of fiscal 2019, compared with \$21.1 million, or 21.2% of non-GAAP revenue, for Q1 of fiscal 2018.

Commissions to non-employee experts are included in SG&A expenses. On a non-GAAP basis, these commissions represented approximately 3.2% of revenue for Q1 of fiscal 2019, compared with 3.0% in Q1 of fiscal 2018. Excluding these commissions, on a non-GAAP basis, SG&A expenses were 18.3% of revenue for Q1 of fiscal 2019, compared with 18.2% of revenue for Q1 of fiscal 2018.

Depreciation & Amortization

For Q1 of fiscal 2019, on a GAAP and non-GAAP basis, depreciation and amortization expense was \$2.6 million, or 2.5% of revenue, compared with \$2.2 million, or 2.2% of revenue, for Q1 of fiscal 2018.

Forgivable Loan Amortization

For Q1 of fiscal 2019, on a GAAP and non-GAAP basis, forgivable loan amortization was \$6.2 million, or 5.9% of revenue, compared with \$4.9 million, or 5.0% of revenue, for Q1 of fiscal 2018.

Share-Based Compensation Expense

For Q1 of fiscal 2019, on a GAAP and non-GAAP basis, share-based compensation expense was approximately \$0.9 million, or 0.9% of revenue, compared with \$1.3 million, or 1.3% of revenue, for Q1 of fiscal 2018.

Operating Income

For Q1 of fiscal 2019, operating income was \$6.9 million, or 6.5% of revenue, compared with operating income of \$6.2 million, or 6.2% of revenue, for Q1 of fiscal 2018. Non-GAAP operating income was \$6.6 million, or 6.3% of revenue, for Q1 of fiscal 2019, compared with \$6.7 million, or 6.7% of revenue, for Q1 of fiscal 2018.

Interest and Other Expense, net

For Q1 of fiscal 2019, interest and other expense, net was \$0.8 million on a GAAP basis and non-GAAP basis. This compares with interest and other expense, net of \$0.3 million on a GAAP and non-GAAP basis for Q1 of fiscal 2018.

Income Taxes

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

	GAAP		NON-GAAP	
	Q1		Q1	
	2019	2018	2019	2018
Tax Provision	\$ 1,435	\$ 1,040	\$ 1,377	\$ 1,108
Effective Tax Rate	23.5%	17.5%	23.4%	17.4%

Net Income

For Q1 of fiscal 2019, net income was \$4.7 million, or 4.4% of revenue, or \$0.56 per diluted share, compared with net income of \$4.9 million, or 4.9% of revenue, or \$0.57 per diluted share, for Q1 of fiscal 2018. Non-GAAP net income for Q1 of fiscal 2019 was \$4.5 million, or 4.3% of non-GAAP revenue, or \$0.54 per diluted share, compared with \$5.3 million, or 5.3% of non-GAAP revenue, or \$0.61 per diluted share, for Q1 of fiscal 2018.

Non-GAAP EBITDA

For Q1 of fiscal 2019, non-GAAP EBITDA was \$8.5 million, or 8.0% of revenue, compared with \$8.6 million, or 8.7% of revenue, for Q1 of fiscal 2018.

Constant Currency Basis

For Q1 of fiscal 2019 revenue was \$105.8 million, and net income was \$4.7 million, or 4.4% of revenue, or \$0.56 per diluted share. On a constant currency basis relative to Q1 of fiscal 2018, Q1 of fiscal 2019 revenue would have increased by approximately \$1.5 million to \$107.3 million, net income would have decreased by approximately \$0.1 million to \$4.6 million, and earnings per diluted share would have decreased by approximately \$0.01 to \$0.55.

For Q1 of fiscal 2019, revenue was \$105.8 million, and non-GAAP net income was \$4.5 million, or 4.3% of revenue, or \$0.54 per diluted share, and non-GAAP EBITDA was \$8.5 million, or 8.0% of non-GAAP revenue. On a constant currency basis relative to Q1 of fiscal 2018, Q1 of fiscal 2019 non-GAAP revenue would have increased by approximately \$1.5 million to \$107.3 million, while non-GAAP net income would have decreased by approximately \$0.1 million to \$4.4 million, earnings per diluted share would have decreased by approximately \$0.01 to \$0.53, and non-GAAP EBITDA would have decreased by approximately \$0.1 million to \$8.4 million.

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 March 30, 2019 were \$134.2 million, compared with \$120.2 million at March 31, 2018. Current liabilities at March 30, 2019 were \$149.4 million, compared with \$104.3 million at March 31, 2018.

Total DSO for Q1 of fiscal 2019 were 111 days, consisting of 72 days of billed and 39 days of unbilled. This compares with 106 days reported for Q1 of fiscal 2018, consisting of 67 days of billed and 39 days of unbilled.

Cash and Cash Flow

Cash and cash equivalents were \$15.0 million at March 30, 2019, compared with \$10.9 million at March 31, 2018.

Net cash used in operating activities for Q1 of fiscal 2019 was \$56.6 million, compared with \$40.5 million for Q1 of fiscal 2018.

Capital expenditures totaled approximately \$0.8 million for Q1 of fiscal 2019, compared with \$3.2 million for Q1 of fiscal 2018.

During Q1 of fiscal 2019, approximately 87,000 shares of common stock were repurchased for approximately \$4.3 million, compared with Q1 of fiscal 2018, approximately 163,000 shares of common stock were repurchased for approximately \$8.3 million.

A quarterly cash dividend of \$0.20 per common share, for total dividends and dividend equivalents of \$1.7 million, was paid in Q1 of fiscal 2019, compared with a quarterly cash dividend of \$0.17 per common share, for total dividends and dividend equivalents of \$1.5 million, which was paid in Q1 of fiscal 2018.

In Q1 of fiscal 2019, we borrowed on our line of credit in the amount of \$39.0 million, compared with \$10.0 million of borrowings on our line of credit in Q1 of fiscal 2018.

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 first quarter of fiscal 2019, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration; for the first quarter of fiscal 2018, the adjustments exclude non-cash amounts relating principally to valuation changes in contingent consideration and net costs related to a lease recapture. 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 first quarter fiscal 2019 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 MARCH 30, 2019 COMPARED TO THE QUARTER ENDED MARCH 31, 2018
(In thousands, except per share data)

	Quarter Ended March 30, 2019					Quarter Ended March 31, 2018				
	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	\$105,849	100.0%	\$ —	\$105,849	100.0%	\$ 99,476	100.0%	\$ —	\$ 99,476	100.0%
Cost of services (exclusive of depreciation and amortization)	73,635	69.6%	(217)	73,852	69.8%	69,391	69.8%	(107)	69,498	69.9%
Selling, general and administrative expenses	22,743	21.5%	—	22,743	21.5%	21,650	21.8%	555	21,095	21.2%
Depreciation and amortization	2,616	2.5%	—	2,616	2.5%	2,231	2.2%	—	2,231	2.2%
Income (loss) from operations	6,855	6.5%	217	6,638	6.3%	6,204	6.2%	(448)	6,652	6.7%
Interest and other income (expense), net	(755)	-0.7%	—	(755)	-0.7%	(278)	-0.3%	—	(278)	-0.3%
Income (loss) before provision for income taxes and noncontrolling interest	6,100	5.8%	217	5,883	5.6%	5,926	6.0%	(448)	6,374	6.4%
Provision for income taxes	1,435	1.4%	58	1,377	1.3%	1,040	1.0%	(68)	1,108	1.1%
Net income (loss)	4,665	4.4%	159	4,506	4.3%	4,886	4.9%	(380)	5,266	5.3%
Net (income) loss attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	—	0.0%	—	—	0.0%
Net income (loss) attributable to CRA International, Inc.	<u>\$ 4,665</u>	<u>4.4%</u>	<u>\$ 159</u>	<u>\$ 4,506</u>	<u>4.3%</u>	<u>\$ 4,886</u>	<u>4.9%</u>	<u>\$ (380)</u>	<u>\$ 5,266</u>	<u>5.3%</u>
Net Income (loss) per share attributable to CRA International, Inc.:										
Basic	<u>\$ 0.58</u>			<u>\$ 0.56</u>		<u>\$ 0.59</u>			<u>\$ 0.63</u>	
Diluted	<u>\$ 0.56</u>			<u>\$ 0.54</u>		<u>\$ 0.57</u>			<u>\$ 0.61</u>	
Weighted average number of shares outstanding:										
Basic	<u>8,015</u>			<u>8,015</u>		<u>8,285</u>			<u>8,285</u>	
Diluted	<u>8,346</u>			<u>8,346</u>		<u>8,580</u>			<u>8,580</u>	

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

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

CRA INTERNATIONAL, INC.
UNAUDITED NON-GAAP EBITDA AND RECONCILIATION TO NET INCOME
FOR THE FISCAL QUARTER ENDED MARCH 30, 2019 COMPARED TO THE FISCAL QUARTER ENDED MARCH 31, 2018
(In thousands)

	Quarter Ended March 30, 2019					Quarter Ended March 31, 2018				
	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	\$ 105,849	100.0%	\$ —	\$ 105,849	100.0%	\$ 99,476	100.0%	\$ —	\$ 99,476	100.0%
Net income (loss) attributable to CRA International, Inc.	\$ 4,665	4.4%	\$ 159	\$ 4,506	4.3%	\$ 4,886	4.9%	\$ (380)	\$ 5,266	5.3%
Net income (loss) attributable to noncontrolling interests, net of tax	—	0.0%	—	—	0.0%	—	0.0%	—	—	0.0%
Net income (loss)	4,665	4.4%	159	4,506	4.3%	4,886	4.9%	(380)	5,266	5.3%
Interest expense, net	11	0.0%	—	11	0.0%	37	0.0%	—	37	0.0%
Provision for income taxes	1,435	1.4%	58	1,377	1.3%	1,040	1.0%	(68)	1,108	1.1%
Depreciation and amortization	2,616	2.5%	—	2,616	2.5%	2,231	2.2%	—	2,231	2.2%
EBITDA	\$ 8,727	8.2%	\$ 217	\$ 8,510	8.0%	\$ 8,194	8.2%	\$ (448)	\$ 8,642	8.7%

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

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

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

	March 30, 2019	December 29, 2018
Assets		
Cash and cash equivalents	\$ 14,958	\$ 38,028
Accounts receivable and unbilled services, net	134,231	130,585
Other current assets	17,584	12,527
Total current assets	166,773	181,140
Property and equipment, net	48,409	48,088
Goodwill and intangible assets, net	96,011	96,054
Right-of-Use Assets	81,480	—
Other assets	59,102	45,564
Total assets	\$ 451,775	\$ 370,846
Liabilities and shareholders' equity		
Accounts payable	\$ 22,530	\$ 21,938
Accrued expenses	72,280	108,233
Revolving line of credit	39,000	—
Current portion of lease liabilities	9,558	—
Other current liabilities	6,056	12,326
Total current liabilities	149,424	142,497
Non-current portion of lease liabilities	94,939	—
Other non-current liabilities	9,522	31,877
Total liabilities	253,885	174,374
Total shareholders' equity	197,890	196,472
Total liabilities and shareholders' equity	\$ 451,775	\$ 370,846

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

	<u>Quarter Ended</u> <u>March 30,</u> <u>2019</u>	<u>Quarter Ended</u> <u>March 31,</u> <u>2018</u>
Operating activities:		
Net income	\$ 4,665	\$ 4,886
Adjustments to reconcile net income to net cash used in operating activities:		
Non-cash items, net	5,840	5,517
Accounts receivable and unbilled services	(2,924)	(5,436)
Working capital items, net	(64,148)	(45,506)
Net cash used in operating activities	<u>(56,567)</u>	<u>(40,539)</u>
Investing activities:		
Purchases of property and equipment	(774)	(3,248)
Net cash used in investing activities	<u>(774)</u>	<u>(3,248)</u>
Financing activities:		
Issuance of common stock, principally stock option exercises	1,526	535
Borrowings under revolving line of credit	39,000	10,000
Tax withholding payments reimbursed by shares	(388)	(1,783)
Cash paid on dividend equivalents	(35)	(98)
Cash dividend paid to shareholders	(1,616)	(1,423)
Repurchases of common stock	(4,349)	(7,230)
Net cash provided by financing activities	<u>34,138</u>	<u>1</u>
Effect of foreign exchange rates on cash and cash equivalents	<u>133</u>	<u>603</u>
Net decrease in cash and cash equivalents	(23,070)	(43,183)
Cash and cash equivalents at beginning of period	<u>38,028</u>	<u>54,035</u>
Cash and cash equivalents at end of period	<u>\$ 14,958</u>	<u>\$ 10,852</u>
Noncash investing and financing activities:		
Repurchases of common stock payable	\$ —	\$ 1,095
Purchases of property and equipment not yet paid for	\$ 1,906	\$ 3,923
Asset retirement obligations	\$ —	\$ 223
Right-of-use assets obtained in exchange for lease obligations	\$ 713	\$ —
Right-of-use assets related to the adoption of ASC 842	\$ 82,329	\$ —
Supplemental cash flow information:		
Cash paid for taxes	\$ 298	\$ 212
Cash paid for interest	\$ 59	\$ 60

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CHARLES RIVER ASSOCIATES (CRA) DECLARES REGULAR QUARTERLY DIVIDEND

BOSTON, May 2, 2019 — 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 \$0.20 per share to be paid on June 14, 2019 to shareholders of record of CRA's common stock as of the close of business on May 28, 2019. 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. 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.