

REFINITIV

# DELTA REPORT

## 10-Q

CRAI - CRA INTERNATIONAL, INC.

10-Q - MARCH 30, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS 689**

<span style="color: yellow;">█</span>	CHANGES	235
<span style="color: pink;">█</span>	DELETIONS	259
<span style="color: green;">█</span>	ADDITIONS	195

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended **September 30, 2023** **March 30, 2024**

OR

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

For the transition period from to

Commission file number: 000-24049

**CRA International, Inc.**

(Exact name of registrant as specified in its charter)

Massachusetts **04-2372210**

(State or other jurisdiction of  
incorporation or organization)

200 Clarendon Street, Boston, MA **02116-5092**

(Address of principal executive offices) (Zip Code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	CRAI	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large  Accelerated filer  Non-accelerated  Smaller reporting  Emerging growth   
accelerated filer filer company 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes   
No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Outstanding at **October 27, 2023** **April**

Class	26, 2024
Common Stock, no par value per share	<b>7,001,716</b> <b>6,915,601</b> shares

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**CRA International, Inc.**

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## PART I. FINANCIAL INFORMATION

### ITEM 1. Financial Statements



**CRA INTERNATIONAL, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)**

*(in thousands, except per share data)*

	Fiscal Quarter Ended		Fiscal Year-to-Date		
	September 30,	October 1,	September 30,	October 1,	
	2023	2022	2023	2022	
<b>Fiscal Quarter Ended</b>					
<b>Fiscal Quarter Ended</b>					
<b>Fiscal Quarter Ended</b>					
<b>March 30,</b>					
<b>2024</b>					
<b>March 30,</b>					
<b>2024</b>					
<b>March 30,</b>					
<b>2024</b>					
Revenues					
Revenues					
Revenues	Revenues	\$ 147,553	\$ 148,441	\$ 462,363	\$ 445,925
Costs of services	Costs of services				
(exclusive of depreciation and amortization)	(exclusive of depreciation and amortization)				
Costs of services (exclusive of depreciation and amortization)					
Costs of services (exclusive of depreciation and amortization)					
Selling, general and administrative expenses					
Selling, general and administrative expenses					

Selling, general and administrative expenses	Selling, general and administrative expenses	27,919	28,246	86,137	82,026
Depreciation and amortization	Depreciation and amortization	2,947	3,034	8,762	9,060
Depreciation and amortization	Depreciation and amortization				
Income from operations	Income from operations				
Income from operations	Income from operations	10,793	14,894	40,400	45,436
Interest expense, net	Interest expense, net	(1,025)	(667)	(3,212)	(1,343)
Foreign currency gains (losses), net	Foreign currency gains (losses), net	755	1,667	(459)	3,566
Interest expense, net	Interest expense, net				
Interest expense, net	Interest expense, net				
Foreign currency losses, net	Foreign currency losses, net				
Foreign currency losses, net	Foreign currency losses, net				
Foreign currency losses, net	Foreign currency losses, net				
Income before provision for income taxes	Income before provision for income taxes				
Income before provision for income taxes	Income before provision for income taxes	10,523	15,894	36,729	47,659
Provision for income taxes	Provision for income taxes	1,927	4,017	9,707	12,713
Provision for income taxes	Provision for income taxes				
Provision for income taxes	Provision for income taxes				
Net income	Net income				
Net income	Net income	\$ 8,596	\$ 11,877	\$ 27,022	\$ 34,946

Net income per share:	Net income per share:				
Net income per share:					
Basic					
Basic					
Basic	Basic	\$ 1.22	\$ 1.66	\$ 3.83	\$ 4.81
Diluted	Diluted	\$ 1.21	\$ 1.63	\$ 3.78	\$ 4.72
Diluted					
Diluted					
Weighted average number of shares outstanding:					
Weighted average number of shares outstanding:					
Weighted average number of shares outstanding:	Weighted average number of shares outstanding:				
Basic	Basic	6,977	7,119	7,026	7,247
Basic					
Basic					
Diluted	Diluted	7,083	7,246	7,138	7,376
Diluted					
Diluted					

See accompanying notes to the condensed consolidated financial statements.

### CRA INTERNATIONAL, INC.

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

(in thousands)

Fiscal Quarter Ended	Fiscal Year-to-Date	
	Period Ended	

	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
	<b>Fiscal Quarter Ended</b>			
	<b>Fiscal Quarter Ended</b>			
	<b>Fiscal Quarter Ended</b>			
	<b>March 30, 2024</b>			
	<b>March 30, 2024</b>			
	<b>March 30, 2024</b>			
Net income				
Net income				
Net income	Net income	\$ 8,596	\$ 11,877	\$ 27,022
Other comprehensive income (loss)	Other comprehensive income (loss)			\$ 34,946
Other comprehensive income (loss)				
Other comprehensive income (loss)				
Foreign currency translation adjustments, net of tax				
Foreign currency translation adjustments, net of tax				
Foreign currency translation adjustments, net of tax	Foreign currency translation adjustments, net of tax	(1,755)	(3,806)	371
Foreign currency translation adjustments, net of tax	net of tax			(8,838)
Comprehensive income	Comprehensive income	\$ 6,841	\$ 8,071	\$ 27,393
Comprehensive income				\$ 26,108

See accompanying notes to the condensed consolidated financial statements.

CRA INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(in thousands, except share data)

	September 30, 2023	December 31, 2022	March 30, 2024	December 30, 2023
<b>ASSETS</b>	<b>ASSETS</b>			
Current assets:	Current assets:			
Current assets:				
Current assets:				
Cash and cash equivalents	Cash and cash equivalents	\$ 27,604	\$ 31,447	
Accounts receivable, net of allowances of \$3,920 and \$2,640, respectively		124,876	143,644	
Unbilled services, net of allowances of \$975 and \$1,120, respectively		68,445	51,343	
Cash and cash equivalents				
Cash and cash equivalents				
Accounts receivable, net of allowances of \$5,201 and \$4,335, respectively				
Unbilled services, net of allowances of \$896 and \$1,629, respectively				
Prepaid expenses and other current assets	Prepaid expenses and other current assets	17,349	12,760	

Forgivable loans	Forgivable loans	10,428	9,666
Total current assets	Total current assets	248,702	248,860
Property and equipment, net	Property and equipment, net	39,963	45,582
Goodwill	Goodwill	93,467	92,922
Intangible assets, net	Intangible assets, net	7,541	8,588
Right-of-use assets	Right-of-use assets	88,871	96,725
Deferred income taxes	Deferred income taxes	10,412	9,163
Forgivable loans, net of current portion	Forgivable loans, net of current portion	47,216	46,790
Other assets	Other assets	2,873	2,287
Total assets	Total assets	\$539,045	\$550,917
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:	Current liabilities:		
Current liabilities:			
Current liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	\$ 24,711	\$ 27,584
Accrued expenses	Accrued expenses	137,920	155,864
Deferred revenue and other liabilities	Deferred revenue and other liabilities	7,871	12,016
Current portion of lease liabilities	Current portion of lease liabilities	16,193	15,972
Current portion of deferred compensation	Current portion of deferred compensation	5,553	5,689

Revolving line of credit	Revolving line of credit	32,000	—
Total current liabilities	Total current liabilities	224,248	217,125
Non-current liabilities:	Non-current liabilities:		
Deferred compensation and other non-current liabilities	Deferred compensation and other non-current liabilities	10,467	15,677
Deferred compensation and other non-current liabilities	Deferred compensation and other non-current liabilities		
Non-current portion of lease liabilities	Non-current portion of lease liabilities	95,406	106,008
Deferred income taxes	Deferred income taxes	966	953
Total non-current liabilities	Total non-current liabilities	106,839	122,638
Commitments and contingencies (Note 11)	Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)
Shareholders' equity:	Shareholders' equity:		
Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding	Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Common stock, no par value; 25,000,000 shares authorized; 6,978,941 and 7,149,884 shares issued and outstanding, respectively	Common stock, no par value; 25,000,000 shares authorized; 6,978,941 and 7,149,884 shares issued and outstanding, respectively	1,363	1,743

Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding	
Preferred stock, no par value; 1,000,000 shares authorized; none issued and outstanding	
Common stock, no par value; 25,000,000 shares authorized; 6,889,298 and 6,934,265 shares issued and outstanding, respectively	
Retained earnings	Retained earnings 221,205 224,392
Accumulated other comprehensive loss	Accumulated other comprehensive loss (14,610) (14,981)
Total shareholders' equity	Total shareholders' equity 207,958 211,154
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity \$539,045 \$550,917

See accompanying notes to the condensed consolidated financial statements.

### CRA INTERNATIONAL, INC.

#### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(in thousands)

Fiscal Year-to-Date
Period Ended

		September 30, 2023	October 1, 2022	
OPERATING ACTIVITIES:	Fiscal Quarter Ended		Fiscal Quarter Ended	
	March 30, 2024		March 30, 2024	April 1, 2023
Net income	Net income	\$ 27,022	\$ 34,946	
Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses:				
Net income				
Net income				
Adjustments to reconcile net income to net cash used in operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization	Depreciation and amortization	8,762	9,060	
Right-of-use asset amortization	Right-of-use asset amortization	10,602	10,260	
Deferred income taxes	Deferred income taxes	(1,257)	(157)	
Share-based compensation expense	Share-based compensation expense	3,024	3,567	
Bad debt expense (recovery)	Bad debt expense (recovery)	523	(345)	

Unrealized foreign currency remeasurement (gains) losses, net	Unrealized foreign currency remeasurement (gains) losses, net	(112)	(662)
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
Accounts receivable	Accounts receivable	18,785	(17,989)
Accounts receivable			
Accounts receivable			
Unbilled services	Unbilled services	(17,226)	(30,864)
Prepaid expenses and other current assets, and other assets	Prepaid expenses and other current assets, and other assets	(4,006)	(1,883)
Forgivable loans	Forgivable loans	(2,306)	(7,361)
Incentive cash awards		6,110	4,863
Incentive cash awards payable			
Accounts payable, accrued expenses, and other liabilities	Accounts payable, accrued expenses, and other liabilities	(36,786)	(26,336)
Lease liabilities	Lease liabilities	(13,162)	(12,114)
Net cash used in operating activities	Net cash used in operating activities	(27)	(35,015)
<b>INVESTING ACTIVITIES:</b>	<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	Purchases of property and equipment	(2,008)	(2,999)

Purchases of property and equipment		
Purchases of property and equipment		
Consideration paid for acquisition, net	Consideration paid for acquisition, net	<u>(577)</u> <u>(10,185)</u>
Net cash used in investing activities	Net cash used in investing activities	(2,585) (13,184)
<b>FINANCING ACTIVITIES:</b>	<b>FINANCING ACTIVITIES:</b>	
Issuance of common stock, principally stock option exercises		— 760
Borrowings under revolving line of credit		
Borrowings under revolving line of credit		
Borrowings under revolving line of credit	Borrowings under revolving line of credit	105,000 124,000
Repayments under revolving line of credit	Repayments under revolving line of credit	(73,000) (79,000)
Payments for debt issuance costs		— (1,008)
Tax withholding payments reimbursed by shares		
Tax withholding payments reimbursed by shares		
Tax withholding payments reimbursed by shares	Tax withholding payments reimbursed by shares	(2,040) (1,002)
Cash dividends paid	Cash dividends paid	(7,773) (6,860)
Cash dividends paid		
Cash dividends paid		

Repurchase of common stock	Repurchase of common stock	(23,577)	(27,630)
Net cash provided by (used in)			
financing activities		(1,390)	9,260
Net cash provided by financing activities			
Effect of foreign exchange rates on cash and cash equivalents			
Effect of foreign exchange rates on cash and cash equivalents		159	(3,098)
Net decrease in cash and cash equivalents			
		(3,843)	(42,037)
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	31,447	66,130
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$ 27,604	\$ 24,093
<b>Noncash investing and financing activities:</b>	<b>Noncash investing and financing activities:</b>		
Increase (decrease) in accounts payable and accrued expenses for property and equipment		\$ (129)	\$ (201)
<b>Noncash investing and financing activities:</b>			
<b>Noncash investing and financing activities:</b>			
Increase in accounts payable and accrued expenses for property and equipment			

Increase in accounts payable and accrued expenses for property and equipment	
Increase in accounts payable and accrued expenses for property and equipment	
Excise tax on share repurchases	
Excise tax on share repurchases	
Excise tax on share repurchases	Excise tax on share repurchases \$ (190) \$ —
Right-of-use assets obtained in exchange for lease obligations	Right-of-use assets obtained in exchange for lease obligations \$ 2,503 \$ 2,146
<b>Supplemental cash flow information:</b>	<b>Supplemental cash flow information:</b>
<b>Supplemental cash flow information:</b>	<b>Supplemental cash flow information:</b>
Cash paid for taxes	
Cash paid for taxes	
Cash paid for taxes	Cash paid for taxes \$ 9,953 \$ 11,407
Cash paid for interest	Cash paid for interest \$ 2,904 \$ 1,026
Cash paid for amounts included in operating lease liabilities	Cash paid for amounts included in operating lease liabilities \$ 16,660 \$ 15,864

See accompanying notes to the condensed consolidated financial statements.

**CRA INTERNATIONAL, INC.**

**CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**

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FOR THE FISCAL YEAR-TO-DATE PERIOD QUARTER ENDED SEPTEMBER MARCH 30, 2023 2024 (unaudited)

(in thousands, except share data)

	Common Stock		Accumulated			Total	
	Shares	Amount	Retained Earnings	Other	Shareholders' Equity		
				Loss			
<b>BALANCE AT DECEMBER</b>							
<b>31, 2022</b>	7,149,884	\$ 1,743	\$ 224,392	\$ (14,981)	\$ 211,154		
Net income	—	—	8,918	—	8,918		
Foreign currency translation adjustment	—	—	—	1,052	1,052		
Exercise of stock options	—	—	—	—	—		
Share-based compensation expense	—	940	—	—	940		
Restricted shares vesting	45,544	—	—	—	—		
Redemption of vested employee restricted shares for tax withholding	(16,614)	(1,873)	—	—	(1,873)		
Shares repurchased	(180,881)	(810)	(19,767)	—	(20,577)		
Accrued excise tax on shares repurchased	—	—	(173)	—	(173)		
Accrued dividends on unvested shares	—	—	45	—	45		
Cash dividends paid (\$0.36 per share)	—	—	(2,702)	—	(2,702)		
<b>BALANCE AT APRIL 1,</b>							
<b>2023</b>	<b>6,997,933</b>	<b>\$ —</b>	<b>\$ 210,713</b>	<b>\$ (13,929)</b>	<b>\$ 196,784</b>		
Net income	—	—	9,508	—	9,508		
Foreign currency translation adjustment	—	—	—	1,074	1,074		
Exercise of stock options	—	—	—	—	—		
Share-based compensation expense	—	1,158	—	—	1,158		
Restricted shares vesting	3,630	—	—	—	—		
Redemption of vested employee restricted shares for tax withholding	(1,237)	(136)	—	—	(136)		

Shares repurchased	(31,090)	(554)	(2,446)	—	(3,000)
Accrued excise tax on shares repurchased	—	—	(27)	—	(27)
Accrued dividends on unvested shares	—	—	(47)	—	(47)
Cash dividends paid (\$0.36 per share)	—	—	(2,528)	—	(2,528)
<b>BALANCE AT JULY 1, 2023</b>	<b>6,969,236</b>	<b>\$ 468</b>	<b>\$215,173</b>	<b>\$ (12,855)</b>	<b>\$ 202,786</b>

Common Stock		Common Stock		Accumulated Other Total	
		Shares	Retained Earnings	Comprehensive Loss	Shareholders' Equity
		Issued			
<b>BALANCE AT DECEMBER 30, 2023</b>					
<b>BALANCE AT DECEMBER 30, 2023</b>					
<b>BALANCE AT DECEMBER 30, 2023</b>					
Net income	Net income	—	—	8,596	—
Foreign currency translation adjustment	Foreign currency translation adjustment	—	—	—	(1,755)
Issuance of common stock	Issuance of common stock	—	—	—	—
Exercise of stock options	Exercise of stock options	—	—	—	—
Share-based compensation expense	Share-based compensation expense	—	926	—	926
Restricted shares vesting	Restricted shares vesting	10,004	—	—	—

Redemption of vested employee restricted shares for tax withholding	Redemption of vested employee restricted shares for tax withholding	(299)	(31)	—	—	(31)
Shares repurchased	Shares repurchased	—	—	—	—	—
Accrued excise tax on shares repurchased	Accrued excise tax on shares repurchased	—	—	10	—	10
Accrued dividends on unvested shares	Accrued dividends on unvested shares	—	—	(31)	—	(31)
Cash dividends paid (\$0.36 per share)		—	—	(2,543)	—	(2,543)
<b>BALANCE AT</b>						
<b>SEPTEMBER 30, 2023</b>	<b>6,978,941</b>	<b>\$ 1,363</b>	<b>\$ 221,205</b>	<b>\$ (14,610)</b>	<b>\$</b>	<b>207,958</b>
Cash dividends paid (\$0.42 per share)						
<b>BALANCE</b>						
<b>AT MARCH 30, 2024</b>						

See accompanying notes to the condensed consolidated financial statements.

### CRA INTERNATIONAL, INC.

#### CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE FISCAL YEAR-TO-DATE PERIOD ENDED **October 1, 2022** **April 1, 2023** (unaudited)

(in thousands, except share data)

Common Stock	Retained Earnings	Accumulated Other	Total	Shareholders'
				Equity

	Shares		Comprehensive		
	Issued	Amount		Loss	
<b>BALANCE AT JANUARY 1,</b>					
2022	7,362,703	\$ —	\$ 215,784	\$ (9,950)	\$ 205,834
Net income	—	—	11,426	—	11,426
Foreign currency translation					
adjustment	—	—	—	(1,172)	(1,172)
Exercise of stock options	14,552	341	—	—	341
Share-based compensation					
expense	—	1,037	—	—	1,037
Restricted shares vesting	29,558	—	—	—	—
Redemption of vested					
employee restricted shares					
for tax withholding	(10,163)	(897)	—	—	(897)
Shares repurchased	(56,665)	(481)	(4,475)	—	(4,956)
Accrued dividends on					
unvested shares	—	—	(11)	—	(11)
Cash dividends paid (\$0.31					
per share)	—	—	(2,377)	—	(2,377)
<b>BALANCE AT APRIL 2,</b>					
2022	7,339,985	\$ —	\$ 220,347	\$ (11,122)	\$ 209,225

	Common Stock		Common Stock		Accumulated		
	Shares				Other	Total	
	Issued			Retained Earnings	Comprehensive Loss	Shareholders' Equity	
<b>BALANCE AT</b>							
<b>DECEMBER 31, 2022</b>							
<b>BALANCE AT</b>							
<b>DECEMBER 31, 2022</b>							
<b>BALANCE AT</b>							
<b>DECEMBER 31, 2022</b>							
Net income	Net income	—	—	11,643	—	11,643	
Foreign	Foreign						
currency	currency						
translation	translation						
adjustment	adjustment	—	—	—	(3,860)	(3,860)	

Share-based compensation expense	Share-based compensation expense	—	1,041	—	—	1,041
Restricted shares vesting	Restricted shares vesting	3,630	—	—	—	—
Redemption of vested employee restricted shares for tax withholding	(921)	(78)	—	—	(78)	
Shares repurchased	(211,345)	(963)	(16,711)	—	(17,674)	
Accrued dividends on unvested shares	—	—	(52)	—	(52)	
Cash dividends paid (\$0.31 per share)	—	—	(2,259)	—	(2,259)	
<b>BALANCE AT JULY 2, 2022</b>	<b>7,131,349</b>	<b>\$ —</b>	<b>\$212,968</b>	<b>\$ (14,982)</b>	<b>\$ 197,986</b>	
Net income	—	—	11,877	—	11,877	
Foreign currency translation adjustment	—	—	—	(3,806)	(3,806)	
Exercise of stock options	19,476	419	—	—	419	
<b>Share-based compensation expense</b>						
Share-based compensation expense	Share-based compensation expense	—	1,489	—	—	1,489
Restricted shares vesting	Restricted shares vesting	9,843	—	—	—	—
Redemption of vested employee restricted shares for tax withholding	Redemption of vested employee restricted shares for tax withholding	(291)	(27)	—	—	(27)
Shares repurchased	Shares repurchased	(51,524)	(852)	(4,148)	—	(5,000)
Accrued excise tax on shares repurchased						

Accrued	Accrued					
dividends on	dividends on					
unvested	unvested					
shares	shares	—	—	(39)	—	(39)
Cash dividends paid (\$0.31 per share)		—	—	(2,224)	—	(2,224)
<b>BALANCE AT OCTOBER 1,</b>						
<b>2022</b>	<b>7,108,853</b>	<b>\$ 1,029</b>	<b>\$ 218,434</b>	<b>\$ (18,788)</b>	<b>\$ 200,675</b>	
Cash dividends paid (\$0.36 per share)						
<b>BALANCE</b>						
<b>AT APRIL</b>						
<b>1, 2023</b>						

See accompanying notes to the condensed consolidated financial statements.

## CRA INTERNATIONAL, INC.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

## 1. Summary of Significant Accounting Policies

### *Description of Business*

CRA International, Inc. (together with its wholly-owned subsidiaries, "CRA" ("CRA" or the "Company") is a worldwide leading consulting services firm that applies advanced analytic techniques and in-depth industry knowledge to complex engagements for a broad range of clients. CRA offers services in two broad areas: litigation, regulatory, and financial consulting and management consulting. CRA operates in one business segment. CRA operates its business under its registered trade name, Charles River Associates.

### *Basis of Presentation*

The unaudited condensed consolidated financial statements include the accounts of CRA International, Inc. and its wholly-owned subsidiaries (collectively the "Company") which require consolidation after the elimination of intercompany accounts and transactions. These financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for Quarterly Reports on Form 10-Q. Accordingly, these financial statements do not include all the information and note disclosures required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for annual financial statements. Certain

prior period amounts have been reclassified to conform to the current period presentation. These reclassifications had no effect on previously reported results of operations, financial position, or cash flows. In the opinion of management, these financial statements reflect all adjustments of a normal, recurring nature necessary for the fair presentation of CRA's results of operations, financial position, cash flows, and shareholders' equity for the interim periods presented in conformity with U.S. GAAP. Results of operations for the interim periods presented herein are not necessarily indicative of results of operations for a full year. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the fiscal year ended December 31, 2022 December 30, 2023 included in CRA's Annual Report on Form 10-K filed with the SEC on March 2, 2023 February 29, 2024 (the "2022" "2023 Form 10-K").

## **Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make significant estimates and judgments that affect the reported amounts of assets and liabilities, as well as the related disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of consolidated revenues and expenses during the reporting period. Estimates in these condensed consolidated financial statements include, but are not limited to, allowances for accounts receivable and unbilled services, revenue recognition on fixed-price contracts, variable consideration to be included in the transaction price of revenue contracts, the useful life of long-lived assets, measurement of operating lease right-of-use assets and liabilities, share-based compensation, valuation of contingent consideration liabilities, valuation of acquired intangible assets, valuation of contingent consideration liabilities, goodwill, accrued and deferred income taxes, valuation allowances on deferred tax assets, accrued incentive compensation, and certain other accrued expenses. These items are monitored and analyzed by CRA for changes in facts and circumstances, and material changes in these estimates could occur in the future. Changes in estimates are recorded in the period in which they become known. CRA bases its estimates on historical experience and various other assumptions that CRA believes to be reasonable under the circumstances. Actual results may differ from those estimates if CRA's assumptions based on past experience or other assumptions do not turn out to be substantially accurate.

## **Recent Accounting Standards Not Yet Adopted**

### **2. Business Acquisitions**

On February 28, 2022, CRA acquired substantially Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07). The ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 also requires that a public entity that has a single reportable segment provide all business assets disclosures required by these amendments and assumed certain liabilities of Welch Consulting, Ltd. ("Welch Consulting"), a Texas limited partnership. Welch Consulting provided economic, business, and strategic consulting services principally involving labor and employment issues. The acquisition expanded CRA's business opportunities, expertise, and market presence with the addition of 45 colleagues and offices all existing segment disclosures in Bryan, Texas; Los Angeles, California; and Washington, D.C. A non-employee expert of CRA served as an agent and attorney-in-fact on behalf of Welch Consulting. The non-employee expert did not and will not receive compensation or a portion of the purchase price as part of the transaction. Topic 280.

**CRA INTERNATIONAL, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**(Unaudited)**

The acquisition has been accounted ASU 2023-07 is effective for as a business combination, CRA for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. CRA plans to adopt the results amendments during the fourth fiscal quarter of operations have been included 2024. CRA is in the accompanying condensed consolidated financial statements from process of evaluating the date impact of acquisition. On adopting ASU 2023-07.

***Income Taxes (Topic 740): Improvements to Income Tax Disclosures***

In December 2023, the date of acquisition, right-of-use assets and lease liabilities were recorded in accordance with ASC Topic 842, FASB issued Accounting Standards Update ("ASU") No. 2023-09, Leases *Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09)*. In addition, contract assets and contract liabilities were recorded in accordance with ASC 606, as CRA adopted The ASU 2021-08 on the first day requires disclosure of fiscal 2022. All other tangible assets and identifiable intangible assets acquired and liabilities assumed were recorded at their fair value as of the date of acquisition.

Welch Consulting's results of operations have been included specific categories in the accompanying condensed consolidated statements of operations from the date of acquisition. The following table is the final allocation of the purchase price to the estimated fair value of assets acquired rate reconciliation, provides additional information for reconciling items that meet a quantitative threshold, and liabilities assumed (in thousands):

## Assets Acquired

### Current assets:

Accounts receivable	\$ 3,742
Unbilled services	1,382
Prepaid expenses and other current assets	100
<b>Total current assets</b>	<b>5,224</b>
Property and equipment	141
Goodwill	2,409
Intangible assets	4,150
Right-of-use assets	1,210
Other assets	41
<b>Total assets acquired</b>	<b>\$ 13,175</b>

## Liabilities Assumed

### Current liabilities:

Accrued expenses	\$ 1,245
Deferred revenue and other liabilities	161
Current portion of lease liabilities	549
<b>Total current liabilities</b>	<b>1,955</b>
Non-current portion of lease liabilities	661
<b>Total liabilities assumed</b>	<b>\$ 2,616</b>
<b>Net assets acquired</b>	<b>\$ 10,559</b>

For the acquired assets and assumed liabilities, CRA paid \$10.6 million, net, discloses the amount of which was based on adjusted estimates income taxes paid disaggregated by federal, state, foreign taxes, and individual jurisdiction. ASU 2023-09 also requires income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign.

ASU 2023-09 is effective for CRA for annual periods beginning after December 15, 2024. CRA plans to adopt the amendments during the annual reporting fiscal year of certain net working capital items. In addition, 2025, CRA issued \$7.9 million of forgivable loans and agreed to provide other deferred compensation to key employees and a non-employee expert, which is treated as post-transaction compensation expense over the term of the loan.

The intangible assets acquired are comprised of customer relationships, the fair value of which was determined using a multi-period excess earnings method. The customer relationships intangible is being amortized over a ten-year life on a straight-line basis, which approximates the expected pattern of economic benefit from this asset. The Company also recorded \$2.4 million of goodwill, all of which is expected to be deductible for tax purposes.

## CRA INTERNATIONAL, INC.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

On November 29, 2022, CRA acquired substantially all of the business assets and assumed certain liabilities of bioStrategies Group, Inc. ("bSG"), a Chicago-based consulting firm focused on developing commercial strategies for healthcare products and technologies. The acquisition expanded CRA's business opportunities, expertise, and market presence with the addition of 17 colleagues with an office in Chicago, Illinois. The acquisition has been accounted for as a business combination, and the results of operations have been included in the accompanying condensed consolidated financial statements from process of evaluating the date impact of acquisition. The acquisition of bSG is not significant to the Company's overall results presented in its condensed consolidated financial statements. adopting ASU 2023-09.

#### 3.2. Revenues and Allowances

The contracts CRA enters into and operates under specify whether the projects are billed on a time-and-materials or a fixed-price basis. Time-and-materials contracts are typically used for litigation, regulatory, and financial consulting projects while fixed-price contracts are principally used for management consulting projects. In general, project costs are classified in costs of services exclusive of depreciation and amortization, and are based on the direct salary of CRA's employee consultants on the engagement, plus all direct expenses incurred to complete the project, including any amounts billed to CRA by its non-employee experts.

##### *Disaggregation of Revenue*

The following tables disaggregate CRA's revenue by type of contract and geographic location (in thousands):

<u>Type of Contract</u>	<u>Type of Contract</u>	Fiscal Year-to-Date		Period Ended	
		Fiscal Quarter Ended	Fiscal Quarter Ended	Fiscal Quarter Ended	Fiscal Quarter Ended
Type of Contract	Type of Contract	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Type of Contract	Type of Contract	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022

Consulting services revenues:	Consulting services revenues:
Consulting services revenues:	
Consulting services revenues:	
Fixed-price	
Fixed-price	Fixed-price
Time-and-materials	Time-and-materials
Time-and-materials	
Time-and-materials	
Total	Total
Total	
Total	

<u>Geographic Breakdown</u>	Fiscal Year-to-Date			
	Fiscal Quarter Ended		Period Ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
United States	\$ 117,420	\$ 121,496	\$ 362,186	\$ 358,583
United Kingdom	21,227	20,069	73,272	63,322
Other	8,906	6,876	26,905	24,020
Total	<u>\$ 147,553</u>	<u>\$ 148,441</u>	<u>\$ 462,363</u>	<u>\$ 445,925</u>

Revenues have been attributed to locations based on the location of the legal entity generating the revenues.

<u>Geographic Breakdown</u>	Fiscal Quarter Ended	
	March 30, 2024	
	April 1, 2023	
Consulting services revenues:		
United States	\$ 142,204	\$ 117,872
United Kingdom	21,154	25,649
Other	8,431	9,324

Total	\$ 171,789	\$ 152,845
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### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

##### Reserves for Variable Consideration and Credit Risk

Revenues from CRA's consulting services are recorded at the net transaction price, which includes estimates of variable consideration for which reserves are established. Variable consideration reserves are based on specific price concessions and those expected to be extended to CRA customers estimated by CRA's historical realization rates. Reserves for variable consideration are recorded as a component of the allowances for accounts receivable and unbilled services on the condensed consolidated balance sheets. Adjustments to the reserves for variable consideration are included in revenues on the condensed consolidated statements of operations.

### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

CRA also maintains allowances for accounts receivable and unbilled services for estimated losses resulting from clients' failure to make required payments. The following table presents CRA's bad debt expense, net of recoveries of previously written off allowances (in thousands):

	Fiscal Year-to-Date			
	Fiscal Quarter Ended		Period Ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Bad debt expense (recovery), net	\$ 131	\$ (83)	\$ 523	\$ (345)

	Fiscal Quarter Ended	
	March 30, 2024	April 1, 2023
Bad debt expense (recovery), net	\$ 663	\$ —

#### *Reimbursable Expenses*

Revenues also include reimbursements for costs incurred by CRA in fulfilling its performance obligations, including travel and other out-of-pocket expenses, fees for outside consultants, and other reimbursable expenses. CRA recovers substantially all of these costs. The following expenses are subject to reimbursement (in thousands):

	Fiscal Year-to-Date			
	Fiscal Quarter Ended		Period Ended	
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
Reimbursable expenses	\$ 17,932	\$ 15,009	\$ 49,165	\$ 47,654

	Fiscal Quarter Ended	
	March 30, 2024	April 1, 2023
	\$ 17,061	\$ 13,981
Reimbursable expenses		

#### *Contract Balances from Contracts with Customers*

CRA defines contract assets as assets for which it has recorded revenue because it determines that it is probable that it will earn a performance-based or contingent fee, but is not yet entitled to receive a fee because certain events, such as completion of the measurement period or client approval, must occur. The contract assets balance was immaterial as of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**.

When consideration is received, or such consideration is unconditionally due from a customer prior to transferring consulting services to the customer under the terms of a contract, a contract liability is recorded. Contract liabilities are recognized as revenue after performance obligations have been satisfied and all revenue recognition criteria have been met. The following table presents the closing balances of CRA's contract liabilities (in thousands):

	September 30, 2023	December 31, 2022
	\$ 2,197	\$ 6,977
Contract liabilities		

	March 30, 2024	December 30, 2023
Contract liabilities	\$ 2,683	\$ 6,037

## CRA INTERNATIONAL, INC.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

CRA recognized the following revenue that was included in the contract liabilities balance as of the opening of the respective period or for performance obligations satisfied in previous periods (in thousands):

	Fiscal Quarter Ended		Fiscal Year-to-Date			
	September 30, 2023	October 1, 2022	Period Ended			
			September 30, 2023	October 1, 2022		
<b>Fiscal Quarter Ended</b>						
<b>Fiscal Quarter Ended</b>						
<b>Fiscal Quarter Ended</b>						
<b>March 30, 2024</b>						
<b>March 30, 2024</b>						
<b>March 30, 2024</b>						
Amounts included in contract liabilities at the beginning of the period						
Amounts included in contract liabilities at the beginning of the period						

Amounts included in contract liabilities at the beginning of the period	Amounts included in contract liabilities at the beginning of the period	\$ 2,580	\$ 1,831	\$ 6,619	\$ 8,101
Performance obligations satisfied in previous periods	Performance obligations satisfied in previous periods	\$ 3,658	\$ 3,495	\$ 2,816	\$ 2,193
Performance obligations satisfied in previous periods					
Performance obligations satisfied in previous periods					

### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

#### 4.3. Forgivable Loans

In order to attract and retain highly skilled professionals, CRA may issue forgivable loans to employees and non-employee experts, certain of which may be denominated in local currencies. A portion of these loans is collateralized. The forgivable loans have terms that are generally between two and six years with interest rates currently ranging up to 6.00%. The principal amount of forgivable loans and accrued interest is forgiven by CRA over the term of the loans, so long as the employee or non-employee expert continues employment or affiliation with CRA and complies with certain contractual requirements. The expense associated with the forgiveness of the principal amount of the loans is recorded as compensation expense over the service period, which is consistent with the term of the loans.

The following table presents forgivable loan activity for the respective periods (in thousands):

	Fiscal Year-to-Date	
	Period Ended	Fiscal Year Ended
	September 30, 2023	December 31, 2022

Beginning balance	\$ 56,456	\$ 48,591
Advances	21,342	34,984
Repayments	(616)	(25)
Reclassifications from accrued expenses or to other assets (1)	(1,200)	(2,192)
Amortization	(18,419)	(24,403)
Effects of foreign currency translation	81	(499)
Ending balance	\$ 57,644	\$ 56,456
Current portion of forgivable loans	\$ 10,428	\$ 9,666
Non-current portion of forgivable loans	\$ 47,216	\$ 46,790

(1) Relates to the reclassification of performance awards previously recorded as accrued expenses or forgivable loans that have been reclassified to other receivables.

	March 30, 2024	December 30, 2023
Beginning balance	\$ 53,941	\$ 56,456
Advances	5,250	23,342
Repayments	—	(1,816)
Amortization	(5,772)	(24,198)
Effects of foreign currency translation	(26)	157
Ending balance	\$ 53,393	\$ 53,941
Current portion of forgivable loans	\$ 14,718	\$ 8,759
Non-current portion of forgivable loans	\$ 38,675	\$ 45,182

#### 5.4. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the fiscal year-to-date period quarter ended September 30, 2023 March 30, 2024 are summarized as follows (in thousands):

Goodwill, at December 31, 2022	December 30, 2023	\$ 164,815	165,882
Accumulated goodwill impairment		(71,893)	
Goodwill, net at December 31, 2022	December 30, 2023	92,922	93,989
Additions due to acquisitions		415	—
Foreign currency translation adjustment		130	(136)
Goodwill, net at September 30, 2023	March 30, 2024	\$ 93,467	93,853

Goodwill, net at **September 30, 2023** **March 30, 2024**, is comprised of goodwill of **\$165.4 million** **\$165.7 million** and accumulated impairment of \$71.9 million. There were no impairment losses related to goodwill during the fiscal year-to-date period quarter ended **September 30, 2023** **March 30, 2024** or during the fiscal year ended **December 31, 2022** **December 30, 2023**.

### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Intangible assets that are separable from goodwill and have determinable useful lives are valued separately and amortized using the straight-line method over their expected useful lives. The components of acquired identifiable intangible assets are as follows (in thousands):

### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

	September 30, 2023						December 31, 2022		
	Useful Life (in years)	Gross			Gross			Net Carrying Amount	
		Carrying Amount	Accumulated Amortization	Net Carrying Amount	Carrying Amount	Accumulated Amortization			
Customer relationships	10	\$ 13,800	\$ (6,259)	\$ 7,541	\$ 13,800	\$ (5,212)		\$ 8,588	

	March 30, 2024						December 31, 2023		
	Useful Life (in years)	Gross			Gross			Net Carrying Amount	
		Carrying Amount	Accumulated Amortization	Net Carrying Amount	Carrying Amount	Accumulated Amortization			
Customer relationships	10	\$ 13,800	\$ (6,949)	\$ 6,851	\$ 13,800	\$ (6,604)		\$ 7,196	

There were no impairment losses related to intangible assets during the fiscal year-to-date period quarter ended **September 30, 2023** **March 30, 2024** or during the fiscal year ended **December 31, 2022** **December 30, 2023**. As a result of the Welch Consulting acquisition, CRA recognized approximately \$4.2 million of intangible assets related to customer relationships in the first quarter of fiscal 2022. As a result of the bSG acquisition, CRA recognized approximately \$1.4 million of intangible assets related to customer relationships in the fourth quarter of fiscal 2022. Amortization expense related to intangible assets was \$0.3 million and **\$1.0 million** **\$0.4 million** for the fiscal quarter quarters ended **March 30, 2024** and fiscal year-to-date period ended **September 30, 2023**, respectively, and \$0.3 million and \$0.9 million for the fiscal quarter and fiscal year-to-date period ended **October 1, 2022** **April 1, 2023**, respectively.

## 6.5. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	September 30, 2023	December 31, 2022		
	March 30, 2024		March 30, 2024	December 30, 2023
Compensation and related expenses	Compensation and related expenses	\$111,174	\$138,728	
Performance awards	Performance awards	14,891	9,359	
Direct project accruals	Direct project accruals	4,060	1,783	
Other	Other	7,795	5,994	
<b>Total accrued expenses</b>	<b>Total accrued expenses</b>	<b>\$137,920</b>	<b>\$155,864</b>	

As of **September 30, 2023** **March 30, 2024** and **December 31, 2022** **December 30, 2023**, approximately **\$86.7 million** **\$56.6 million** and **\$116.1 million** **\$121.2 million**, respectively, of accrued bonuses were included above in "Compensation and related expenses."

## 7.6. Income Taxes

For the fiscal quarters ended **September 30, 2023** **March 30, 2024** and **October 1, 2022** **April 1, 2023**, CRA's effective income tax rate ("ETR") was **18.3%** **28.0%** and **25.3%** **29.2%**, respectively. The ETR for the **third** **first quarter** of fiscal 2024 was lower than the **first** quarter of fiscal 2023 was lower than the **third** quarter of fiscal 2022 primarily due to changes in state statutory tax rates in the **release of** **current year**, having had a valuation allowance in a **foreign jurisdiction** coupled with the **revaluation of** **prior year** that has now been reversed, as well as the **deferred tax asset**, partially offset by a **decrease in the tax benefit related to share-based compensation**, an **increase in nondeductible meals and entertainment expenses**, and an **increase in the U.K. statutory rate from 19% to 25% effective April 1, 2023**.

with a blended rate of 23.5% for the fiscal year. The increase in the tax impact of the meals expense is a result of the expiration of the relief provided by The Consolidated Appropriations Act, 2021, whereby the deduction for business meals from restaurants was 100% during 2021 and 2022 and reverted back to 50% in 2023.

The change in the total valuation allowance for the current fiscal quarter was a decrease of approximately \$0.7 million compared to the same fiscal quarter of the prior year. The \$0.7 million decrease is comprised primarily of foreign net operating loss carryforwards that have an indefinite life and are forecasted to be utilized over approximately a forty-year period. The change in assessment was prompted by the enactment of new legislation in the foreign jurisdiction, and as a result, the foreign entity will be profitable higher profit in the current and future years.

For the fiscal year-to-date periods ended September 30, 2023 and October 1, 2022, CRA's ETR was 26.4% and 26.7%, respectively. The ETR for the current fiscal year-to-date period was slightly lower than the prior year-to-date period primarily due to the same items noted above.

In fiscal 2020, as a result of both a qualitative and quantitative analysis, certain amounts of previously taxed and untaxed post fiscal 2018 U.K. earnings were no longer considered permanently reinvested. Deferred taxes that are a consequence of foreign exchange translation resulting from earnings that are no longer considered permanently reinvested are recorded as a

#### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

component of foreign currency translation adjustments on the condensed consolidated statements of comprehensive income. During the fiscal quarter ended September 30, 2023, deferred taxes have been assessed as immaterial related to foreign exchange translation and not recorded. Deferred income taxes or foreign withholding taxes, estimated to be \$0.4 million, have not been recorded for other jurisdictions as those earnings are considered to be permanently reinvested.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 that includes, among other provisions, changes to the U.S. corporate income tax system, including a fifteen percent minimum tax based on "adjusted financial statement income," and a one percent excise tax on net repurchases of stock after December 31, 2022. For the fiscal quarter ended September 30, 2023, net share repurchases were immaterial. As the Company's issued and outstanding common stock on the condensed consolidated balance sheet is classified as permanent equity, the excise tax is treated as a specific incremental cost directly attributable to the repurchase. As such, the excise tax is charged against the gross proceeds and recorded within equity with an offsetting excise tax liability recognized. period.

#### 8.7. Net Income Per Share

CRA calculates basic earnings per share using the two-class method. CRA calculates diluted earnings per share using the more dilutive of either the two-class method or treasury stock method. The two-class method was more dilutive for the fiscal quarters ended March 30, 2024 and fiscal year-to-date periods ended September 30, 2023 and October 1, 2022 April 1, 2023.

Under the two-class method, net earnings are allocated to each class of common stock and participating security as if all the net earnings for the period had been distributed. CRA's participating securities consist of unvested share-based payment awards that contain a nonforfeitable right to receive dividends and therefore are considered to participate in undistributed earnings with common shareholders. Net earnings allocable to these participating securities were not material for the fiscal quarters ended March 30, 2024 and fiscal year-to-date periods ended September 30, 2023 and October 1, 2022 April 1, 2023.

## CRA INTERNATIONAL, INC.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

The following table presents the calculation of basic and diluted net income per share (in thousands, except per share data):

Fiscal Quarter Ended		Fiscal Year-to-Date	
September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022
<b>Fiscal Quarter Ended</b>			
<b>Fiscal Quarter Ended</b>			
<b>Fiscal Quarter Ended</b>			
<b>March 30, 2024</b>			
<b>March 30, 2024</b>			
<b>March 30, 2024</b>			
Numerator:			
Numerator:			
Numerator:	Numerator:		

Net income — basic	Net income — basic	\$ 8,596	\$ 11,877	\$ 27,022	\$ 34,946
Net income — basic					
Net income — basic					
Less: net income attributable to participating shares					
Less: net income attributable to participating shares					
Less: net income attributable to participating shares	Less: net income attributable to participating shares	29	42	98	130
Net income — diluted	Net income — diluted	\$ 8,567	\$ 11,835	\$ 26,924	\$ 34,816
Net income — diluted					
Net income — diluted					
Denominator:					
Denominator:					
Denominator: Weighted average shares outstanding — basic	Denominator: Weighted average shares outstanding — basic	6,977	7,119	\$ 7,026	\$ 7,247
Weighted average shares outstanding — basic					
Weighted average shares outstanding — basic					
Effect of dilutive stock options and restricted stock units					
Effect of dilutive stock options and restricted stock units					

Effect of dilutive stock options and restricted stock units	Effect of dilutive stock options and restricted stock units	106	127	112	129
Weighted average shares outstanding — diluted	Weighted average shares outstanding — diluted	7,083	7,246	7,138	7,376
Weighted average shares outstanding — diluted	Weighted average shares outstanding — diluted				
Net income per share:	Net income per share:				
Net income per share:	Net income per share:				
Basic	Basic	\$ 1.22	\$ 1.66	\$ 3.83	\$ 4.81
Basic	Basic				
Diluted	Diluted	\$ 1.21	\$ 1.63	\$ 3.78	\$ 4.72
Diluted	Diluted				

For the fiscal quarter and ended March 30, 2024, there were no anti-dilutive share-based awards that were excluded from the calculation of common stock equivalents for purposes of computing diluted weighted average outstanding shares. For the fiscal year-to-date period quarter ended September 30, 2023 April 1, 2023, the anti-dilutive share-based awards that were excluded from the calculation of common stock equivalents for purposes of computing diluted weighted average shares outstanding amounted to 6,185 and 5,875 shares, respectively. For the fiscal quarter and fiscal year-to-date period ended October 1, 2022, the anti-dilutive share-based awards that were excluded from the calculation of common stock equivalents for purposes of computing diluted weighted average shares outstanding amounted to 997 and 249 shares, respectively. 196 shares.

#### CRA INTERNATIONAL, INC.

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

## 9.8. Fair Value of Financial Instruments

The following tables show CRA's financial instruments recorded in the condensed consolidated financial statements which are measured at fair value on a recurring basis by level within the fair value hierarchy (in thousands):

	September	March 30, 2023	2024
	Level 1	Level 2	Level 3
<b>Assets:</b>			
Money market mutual funds	\$ —	\$ —	\$ —
Total Assets	\$ —	\$ —	\$ —
<b>Liabilities:</b>			
Contingent consideration liability	\$ —	\$ —	\$ 1,108 190
Total Liabilities	\$ —	\$ —	\$ 1,108 190

**CRA INTERNATIONAL, INC.**

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

	December 31, 2022	30, 2023	
	Level 1	Level 2	Level 3
<b>Assets:</b>			
Money market mutual funds	\$ —	\$ —	\$ —
Total Assets	\$ —	\$ —	\$ —
<b>Liabilities:</b>			
Contingent consideration liability	\$ —	\$ —	\$ 1,056 190
Total Liabilities	\$ —	\$ —	\$ 1,056 190

The contingent consideration liability pertains to estimated future contingent consideration payments related to the acquisition of bSG, an independent consulting firm, bioStrategies Group, Inc. during fiscal 2022. The following table summarizes the changes in the contingent consideration liability (in thousands):

	Fiscal Year-to- Date	Fiscal Year Ended
	Period Ended	Ended
	September 30, 2023	December 31, 2022
	Fiscal Quarter Ended	Fiscal Year Ended
	March 30, 2024	March 30, 2024
Beginning balance	Beginning balance	\$ 1,056 \$ —
Acquisition-related contingent consideration		— 1,056
Remeasurement of acquisition- related contingent consideration		
Accretion	Accretion	52 —
	Ending balance	\$ 1,108 \$ 1,056
Ending balance		
Ending balance		

## 10.9. Credit Agreement

CRA is party to a Credit Agreement, dated as of August 19, 2022 (the "Credit Agreement") with Bank of America, N.A., as swingline lender, a letter of credit issuing bank and administrative agent, and with Citizens Bank, N.A., as a letter of credit issuing bank. The Credit Agreement provides CRA with a \$250.0 million revolving credit facility, which may be decreased at CRA's option to \$200.0 million during the period from July 16th 16 in a year through January 15th 15 in the next year. Additionally, for the period from January 16th 16 to July 15th 15 of each calendar year, CRA may elect to not increase the revolving credit facility to \$250.0 million. The revolving credit facility includes a \$25.0 million sublimit for the issuance of letters of credit.

**CRA INTERNATIONAL, INC.**

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

There were \$32.0 million in borrowings outstanding under the revolving credit facility as of September 30, 2023 and no borrowings outstanding as of December 31, 2022. As of September 30, 2023, the amount available under the revolving credit facility was reduced by certain letters of credit outstanding, which amounted to \$4.5 million.

Under the Credit Agreement, CRA must comply with various financial and non-financial covenants. The primary financial covenants consist of a maximum consolidated net leverage ratio of 3.0 to 1 and a minimum consolidated interest coverage ratio of 2.5 to 1. The primary non-financial covenants include, but are not limited to, restrictions on CRA's ability to incur future indebtedness, engage in acquisitions or dispositions, pay dividends or repurchase capital stock, and enter into business combinations. Any indebtedness outstanding under the revolving credit facility may become immediately due upon the occurrence of stated events of default, including CRA's failure to pay principal, interest or fees, or upon the breach of any covenant. As of **September 30, 2023** **March 30, 2024**, CRA was in compliance with the covenants of the Credit Agreement.

There were \$70.0 million in borrowings outstanding under the revolving credit facility as of March 30, 2024 and no borrowings outstanding as of December 30, 2023. As of March 30, 2024, the amount available under the revolving credit facility was reduced by certain letters of credit outstanding, which amounted to \$4.5 million.

11.

### 10. Commitments and Contingencies

As described in the previous note, CRA is party to standby letters of credit with its lenders in support of minimum future lease payments under certain operating leases for office space.

## CRA INTERNATIONAL, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

CRA is subject to legal actions arising in the ordinary course of business. In management's opinion, based on current knowledge, CRA believes it has adequate legal defenses or insurance coverage, or both, with respect to the eventuality of such actions. CRA does not believe any settlement or judgment relating to any pending legal action would materially affect its financial position or results of operations. However, the outcome of such legal actions is inherently unpredictable and subject to inherent uncertainties.

### 12.11. Subsequent Events

On November 2, 2023 May 2, 2024, CRA announced that its Board of Directors declared a quarterly cash dividend of \$0.42 per common share, payable on December 8, 2023 June 14, 2024 to shareholders of record as of November 28, 2023 May 28, 2024.

## **ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Forward-Looking Statements**

Except for historical facts, the statements in this quarterly report are forward-looking statements. Forward-looking statements are merely our current predictions of future events. These statements are inherently uncertain, and actual events could differ materially from our predictions. Important factors that could cause actual events to vary from our predictions include those discussed below under the heading "Risk Factors." We assume no obligation to update our forward-looking statements to reflect new information or developments. We urge readers to review carefully the risk factors described in the other documents that we file with the Securities and Exchange Commission ("SEC"). You can read these documents at [www.sec.gov](http://www.sec.gov).

### **Additional Available Information**

Our principal Internet address is [www.crai.com](http://www.crai.com). Our website provides a link to a third-party website through which our annual, quarterly, and current reports, and amendments to those reports, are available free of charge. We believe these reports are made available as soon as reasonably practicable after we file them electronically with, or furnish them to, the SEC. We do not maintain or provide any information directly to the third-party website, and we do not check its accuracy.

Our website also includes information about our corporate governance practices. The Investor Relations page of our website provides a link to a web page where you can obtain a copy of our code of business conduct and ethics applicable to our principal executive officer, principal financial officer, and principal accounting officer.

### **Critical Accounting Policies and Estimates**

Our critical accounting policies involving the more significant estimates and judgments used in the preparation of our financial statements as of September 30, 2023 March 30, 2024 remain unchanged from December 31, 2022 December 30, 2023. Please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 30, 2023, filed with the SEC on March 2, 2023 February 29, 2024 (the "2022 "2023 Form 10-K" 10-K") for details on these critical accounting policies.

### **Recent Accounting Standards**

There are no recent accounting standards that impact the unaudited condensed consolidated financial statements.

**Results of Operations—For the Fiscal Quarter and Fiscal Year-to-Date Period Ended September 30, 2023 March 30, 2024, Compared to the Fiscal Quarter and Fiscal Year-to-Date Period Ended October 1, 2022 April 1, 2023**

The following table provides operating information as a percentage of revenues for the periods indicated:

	Fiscal Quarter				Fiscal Year-to-Date							
	Ended		Period Ended									
	September 30, 2023	October 1, 2022	September 30, 2023	October 1, 2022								
<b>Fiscal Quarter</b>												
<b>Ended</b>												
<b>Fiscal Quarter</b>												
<b>Ended</b>												
<b>Fiscal Quarter</b>												
<b>Ended</b>												
<b>March 30, 2024</b>												
<b>March 30, 2024</b>												
<b>March 30, 2024</b>												
<b>Revenues</b>												
<b>Revenues</b>												
Revenues	Revenues	100.0	%	100.0	%	100.0	%	100.0	%			
Costs of services (exclusive of depreciation and amortization)	Costs of services (exclusive of depreciation and amortization)	71.8		68.9		70.7		69.4				
Costs of services (exclusive of depreciation and amortization)												
Costs of services (exclusive of depreciation and amortization)												
Selling, general and administrative expenses												
Selling, general and administrative expenses												

Selling, general and administrative expenses	Selling, general and administrative expenses	18.9	19.0	18.6	18.4
Depreciation and amortization	Depreciation and amortization	2.0	2.0	1.9	2.0
Depreciation and amortization					
Depreciation and amortization					
Income from operations					
Income from operations					
Income from operations	Income from operations	7.3	10.0	8.7	10.2
Interest expense, net	Interest expense, net	(0.7)	(0.4)	(0.7)	(0.3)
Interest expense, net					
Interest expense, net					
Foreign currency gains (losses), net					
Foreign currency gains (losses), net					
Foreign currency gains (losses), net	Foreign currency gains (losses), net	0.5	1.1	(0.1)	0.8
Income before provision for income taxes	Income before provision for income taxes	7.1	10.7	7.9	10.7
Income before provision for income taxes					
Income before provision for income taxes					
Provision for income taxes					
Provision for income taxes					
Provision for income taxes	Provision for income taxes	1.3	2.7	2.1	2.9
Net income	Net income	5.8 %	8.0 %	5.8 %	7.8 %
Net income					
Net income					

**Fiscal Quarter Ended September 30, 2023 March 30, 2024, Compared to the Fiscal Quarter Ended October 1, 2022 April 1, 2023**

**Revenues.** Revenues decreased increased by \$0.8 million \$19.0 million, or 0.6% 12.4%, to \$147.6 million \$171.8 million for the third first quarter of fiscal 2024 from \$152.8 million for the first quarter of fiscal 2023. Utilization increased to 73% for the first quarter of fiscal 2024 from 70% for the first quarter of fiscal 2023, from \$148.4 million for the third quarter of fiscal 2022. Utilization decreased to 66% for the third quarter of fiscal 2023 from 74% for the third quarter of fiscal 2022, while consultant headcount grew 11.3% 2.6% from 911 972 at the end of the third first quarter of fiscal 2022 2023 to 1,014 997 at the end of the third first quarter of fiscal 2023 2024.

Overall, revenues outside of the U.S. represented approximately 20% 17% and 23% of net revenues for the first quarters of fiscal 2024 and fiscal 2023, respectively. Revenues derived from fixed-price projects remained unchanged at 18% of net revenues for the third quarters of fiscal 2023 and fiscal 2022, respectively. Revenues derived from fixed-price projects increased to 18% of net revenues for the third first quarter of fiscal 2023 2024 compared with 16% of net revenues for the third first quarter of fiscal 2022 2023. The percentage of revenue derived from fixed-price projects depends largely on the proportion of our revenues derived from our management consulting business, which typically has a higher concentration of fixed-price service contracts.

**Costs of Services (exclusive of depreciation and amortization).** Costs of services (exclusive of depreciation and amortization) increased by \$3.6 million \$11.1 million, or 3.5% 10.2%, to \$105.9 million \$118.9 million for the third first quarter of fiscal 2023 2024 from \$102.3 million \$107.8 million for the third first quarter of fiscal 2022 2023. The increase in costs of services was due to an increase in employee and incentive compensation of \$8.8 million attributable to salaries and benefits associated with our increased consulting headcount, and an increase in client reimbursable expenses of \$2.9 million \$3.1 million, an increase in employee compensation and fringe benefit costs of \$0.7 million primarily as a result of a higher headcount, partially offset by a decrease in forgivable loan amortization of \$0.1 million \$0.8 million. As a percentage of revenues, costs of services (exclusive of depreciation and amortization) increased decreased to 71.8% 69.2% for the third first quarter of fiscal 2023 2024 from 68.9% 70.6% for the third first quarter of fiscal 2022 2023.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses decreased increased by \$0.3 million \$2.1 million, or 1.2% 7.5%, to \$27.9 million \$30.5 million for the third first quarter of fiscal 2023 2024 from \$28.2 million \$28.4 million for the third first quarter of fiscal 2022 2023. Within this category of expenses, there was a \$1.2 million decrease \$0.9 million increase in employee and incentive compensation, a \$0.7 million increase in bad debt expense, a \$0.1 million increase in commissions to our non-employee experts, and a \$0.4 million decrease in employee compensation and fringe benefit costs. Partially offsetting the decrease in these expenses was a \$0.2 million \$0.1 million increase in rent expense, and a \$0.2 million increase in travel and entertainment, a \$0.2 million increase in bad debt expense, a \$0.5 million \$0.3 million increase in miscellaneous and other fees and a \$0.2 million increase in software subscription and data services for the third first quarter of fiscal 2023 2024 as compared to the third first quarter of fiscal 2022.

2023. As a percentage of revenues, selling, general and administrative expenses decreased to 18.9% 17.8% for the third first quarter of fiscal 2023 2024 from 19.0% 18.6% for the third first quarter of fiscal 2022, 2023. Commissions to our non-employee experts decreased to 2.4% 2.1% of revenues for the third first quarter of fiscal 2023 2024 compared to 3.2% 2.3% of revenues the third first quarter of fiscal 2022, 2023.

*Provision for Income Taxes.* The income tax provision was \$1.9 million \$5.3 million and the effective tax rate ("ETR") was 18.3% 28.0% for the third first quarter of fiscal 2023 2024 compared to \$4.0 million \$3.7 million and 25.3% 29.2% for the third first quarter of fiscal 2022, 2023. The ETR for the current fiscal quarter was lower than the prior year fiscal quarter primarily due to changes in state statutory tax rates in the release of current year, having had a valuation allowance in the prior year that has now been reversed, as well as the impact of a foreign jurisdiction, partially offset by a decrease higher profit in the tax benefit related to share-based compensation, an increase in nondeductible meals and entertainment expenses, and an increase in the U.K. statutory rate from 19% to 25% effective April 1, 2023 with a blended rate of 23.5% for the fiscal year. The increase in the tax impact of the meals expense is a result of the expiration of the relief provided by The Consolidated Appropriations Act, 2021, whereby the deduction for business meals from restaurants was 100% during 2021 and 2022 and reverted back to 50% in 2023. The ETR for the third first quarter of fiscal 2024 and 2023 was lower were both higher than the combined federal and state statutory tax rate primarily due to the same items noted above. The ETR for the third quarter of fiscal 2022 was lower than the combined federal nondeductible executive compensation and state statutory tax rate primarily due to nondeductible meals and entertainment expenses, partially offset by the tax benefit related to share-based compensation, partially offset by non-deductible compensation paid to executive officers. compensation.

*Net Income.* Net income decreased increased to \$8.6 million \$13.7 million for the third first quarter of fiscal 2023 2024 from \$11.9 million \$8.9 million for the third first quarter of fiscal 2022, 2023. The net income per diluted share was \$1.21 \$1.95 per share for the third first quarter of fiscal 2023, 2024, compared to \$1.63 \$1.23 of net income per diluted share for the third first quarter of fiscal 2022, 2023. Weighted average diluted shares outstanding decreased by approximately 163,000 241,000 shares to approximately 7,083,000 7,011,000 shares for the third first quarter of fiscal 2023 2024 from approximately 7,246,000 7,252,000 shares for the third first quarter of fiscal 2022, 2023. The decrease in weighted average diluted shares outstanding was primarily due to the repurchase of shares of our common stock since October 1, 2022 April 1, 2023, offset in part by the vesting of shares of restricted stock and time-vesting restricted stock units and the exercise of stock options since October 1, 2022 April 1, 2023.

#### **Fiscal Year-to-Date Period Ended September 30, 2023, Compared to the Fiscal Year-to-Date Period Ended October 1, 2022**

*Revenues.* Revenues increased by \$16.5 million, or 3.7%, to \$462.4 million for the fiscal year-to-date period ended September 30, 2023 from \$445.9 million for the fiscal year-to-date period ended October 1, 2022. Utilization decreased to 69% for the fiscal year-to-date period ended September 30, 2023 from 75% for the fiscal year-to-date

period ended October 1, 2022, while consultant headcount increased 11.3% from 911 at the end of the third quarter of fiscal 2022 to 1,014 at the end of the third quarter of fiscal 2023.

Overall, revenues outside of the U.S. represented approximately 22% and 20% of net revenues for the fiscal year-to-date periods ended September 30, 2023 and October 1, 2022, respectively. Revenues derived from fixed-price projects remained flat at 18% of net revenues for the fiscal year-to-date periods ended September 30, 2023 and October 1, 2022. The percentage of revenue derived from fixed-price projects depends largely on the proportion of our revenues derived from our management consulting business, which typically has a higher concentration of fixed-price service contracts.

**Costs of Services (exclusive of depreciation and amortization).** Costs of services (exclusive of depreciation and amortization) increased by \$17.7 million, or 5.7%, to \$327.1 million for the fiscal year-to-date period ended September 30, 2023 from \$309.4 million for the fiscal year-to-date period ended October 1, 2022. The increase in costs of services was due to an increase of \$13.8 million in employee compensation and fringe benefit costs primarily as a result of a higher headcount, an increase in forgivable loan amortization of \$2.3 million, and an increase in client reimbursable expenses of \$1.5 million. As a percentage of revenues, costs of services (exclusive of depreciation and amortization) increased to 70.7% for the fiscal year-to-date period ended September 30, 2023 from 69.4% for the fiscal year-to-date period ended October 1, 2022.

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses increased by \$4.1 million, or 5.0%, to \$86.1 million for the fiscal year-to-date period ended September 30, 2023 from \$82.0 million for the fiscal year-to-date period ended October 1, 2022. Within this category of expenses, there was a \$2.2 million increase in travel and entertainment, a \$1.5 million increase in rent expense, a \$1.1 million increase in software subscription and data services, a \$0.8 million increase in bad debt expense, a \$0.8 million increase in training and marketing expenses, \$0.7 million increase in employee compensation and fringe benefit costs, and a \$0.6 million increase in miscellaneous and other costs. Partially offsetting the increase in these expenses was a \$3.6 million decrease in commissions to our non-employee experts for the fiscal year-to-date period ended September 30, 2023 as compared to the fiscal year-to-date period ended October 1, 2022.

As a percentage of revenues, selling, general and administrative expenses increased to 18.6% for the fiscal year-to-date period ended September 30, 2023 from 18.4% for the fiscal year-to-date period ended October 1, 2022. Commissions to our non-employee experts decreased to 2.4% of revenues for the fiscal year-to-date period ended September 30, 2023 compared to 3.3% of revenues for the fiscal year-to-date period ended October 1, 2022.

**Provision for Income Taxes.** The income tax provision was \$9.7 million and the ETR was 26.4% for the fiscal year-to-date period ended September 30, 2023, compared to \$12.7 million and 26.7% for the fiscal year-to-date period ended October 1, 2022. The ETR for the current fiscal year-to-date period was lower than the prior fiscal year-to-date period primarily due to the release of a valuation allowance in a foreign jurisdiction, partially offset by a decrease in the tax benefit related to share-based compensation, an increase in nondeductible meals and entertainment expenses, and an increase in the U.K. statutory rate from 19% to 25% effective April 1, 2023 with a blended rate of 23.5% for the fiscal year. The increase in the tax impact of the meals expense is a result of the expiration of the relief provided by The Consolidated Appropriations Act, 2021, whereby the deduction for business meals from restaurants was 100% during 2021 and 2022 and reverted back to 50% in 2023. The ETR for the current fiscal year-to-date period was approximately

the same as the combined federal and state statutory tax rate and included offsetting items related to the release of a valuation allowance in a foreign jurisdiction, the tax benefit for share-based compensation, nondeductible meals and entertainment expenses, and nondeductible compensation paid to executive officers. The ETR for the fiscal year-to-date period ended October 1, 2022 was approximately the same as the combined federal and state statutory tax rate and included offsetting items primarily related to the tax benefit for share-based compensation and nondeductible compensation paid to executive officers.

**Net Income.** Net income decreased by \$7.9 million to \$27.0 million for the fiscal year-to-date period ended September 30, 2023 from \$34.9 million for the fiscal year-to-date period ended October 1, 2022. The diluted net income per share was \$3.78 for the fiscal year-to-date period ended September 30, 2023, compared to diluted net income per share of \$4.72 for the fiscal year-to-date period ended October 1, 2022. Weighted average diluted shares outstanding decreased by approximately 238,000 to approximately 7,138,000 shares for the fiscal year-to-date period ended September 30, 2023 from approximately 7,376,000 shares for the fiscal year-to-date period ended October 1, 2022. The decrease in weighted average diluted shares outstanding was primarily due to the repurchase of shares of our common stock since October 1, 2022, offset in

part by the vesting of restricted stock and time-vesting restricted stock units and the exercise of stock options since October 1, 2022.

## Liquidity and Capital Resources

### **Fiscal Year-to-Date Period Quarter Ended September 30, 2023 March 30, 2024**

We believe that our current cash, and cash equivalents, cash generated from operations, and amounts available under our revolving credit facility will be sufficient to meet our anticipated working capital and capital expenditure requirements for at least the next 12 months. As of March 30, 2024, we had \$37.1 million of cash and cash equivalents and \$175.5 million of borrowing capacity under our revolving credit facility.

**General.** During the fiscal year-to-date period quarter ended September 30, 2023 March 30, 2024, cash and cash equivalents decreased by \$3.8 million \$8.5 million. We completed the period with cash and cash equivalents of \$27.6 million \$37.1 million. The principal drivers of the decrease of cash and cash equivalents were was payment of a significant portion of our fiscal 2022 2023 performance bonuses in the first and second quarters quarter of fiscal 2023, 2024, the repurchase of shares, and the payment of dividends, offset by net borrowings of \$32.0 million \$70.0 million.

During the fiscal year-to-date period ended September 30, 2023, working capital (defined as current assets less current liabilities) decreased by \$7.3 million to \$24.5 million. The decrease in working capital was principally due to an increase in borrowings of \$32.0 million, a decrease in cash and cash equivalents of \$3.8 million, and a decrease in accounts receivable and unbilled services of \$1.7 million. Partially offsetting these decreases to working capital was a decrease in accrued expenses of \$17.9 million, a

decrease in deferred revenue and other liabilities of \$4.1 million, a decrease in accounts payable of \$2.9 million, an increase in prepaid expenses and other current assets of \$4.6 million, an increase in the current portion of our forgivable loans of \$0.8 million, and a decrease in the current portion of deferred compensation of \$0.1 million.

At **September 30, 2023** **March 30, 2024**, **\$3.0 million** **\$9.0 million** of our cash and cash equivalents was held within the U.S. We have sufficient sources of liquidity in the U.S., including cash flow from operations and availability on our revolving credit facility to fund U.S. operations for the next 12 months without the need to repatriate funds from our foreign subsidiaries.

*Sources and Uses of Cash.* During the fiscal year-to-date period quarter ended **September 30, 2023** **March 30, 2024**, net cash used in operating activities was **\$0.1 million** **\$63.1 million**. Net income was **\$27.0 million** **\$13.7 million** for the fiscal year-to-date period quarter ended **September 30, 2023** **March 30, 2024**. Uses of cash for operating activities included a \$13.2 million decrease in lease liabilities and a \$4.0 million increase in prepaid expenses and other current assets. Other uses of cash included a decrease in accounts payable, accrued expenses, and other liabilities of **\$36.8 million** **\$69.3 million**, primarily due to the payment of a significant portion of our fiscal **2022** **2023** performance bonuses and performance awards, and an increase of \$13.6 million in unbilled receivables, a \$4.4 million decrease in lease liabilities, a \$2.6 million increase in prepaid expenses and other current assets, and a decrease in forgivable loans for the period of **\$2.3 million** **\$0.5 million**, which was primarily driven by **\$20.7 million** **\$5.3 million** of forgivable loan issuances, net of repayments, offset by **\$18.4 million** **\$5.8 million** of forgivable loan amortization, partially amortization. Partially offsetting these uses of cash was a net decrease of **\$1.6 million** **\$2.5 million** in accounts receivable and unbilled receivables.

Cash used an increase of \$2.4 million in operations included incentive cash award expense awards payable.

Non-cash items included right-of-use amortization of **\$6.1 million** **\$3.6 million**, non-cash depreciation and amortization expense of **\$8.8 million**, right-of-use amortization of **\$10.6 million** **\$2.8 million**, and share-based compensation expenses of **\$3.0 million** **\$1.0 million**.

During the fiscal year-to-date period quarter ended **September 30, 2023** **March 30, 2024**, net cash used in investing activities was **\$2.6 million** **\$0.7 million**, which included **\$2.0 million** for capital expenditures, primarily related to purchases of computer equipment and **\$0.6 million** of net consideration paid for the acquisitions of Welch Consulting and bSG leasehold improvements.

During the fiscal year-to-date period quarter ended **September 30, 2023** **March 30, 2024**, net cash used in provided by financing activities was **\$1.4 million** **\$56.1 million**, primarily as a result of net borrowings under the revolving credit facility of **\$32.0 million** **\$70.0 million**. Offsetting these increases this increase in cash provided by financing activities were repurchases of common stock of **\$23.6 million** **\$9.2 million**, payment of cash dividends of **\$7.8 million** **\$3.1 million**, and tax withholding payments reimbursed by restricted shares on vesting vestings of **\$2.0 million** **\$1.6 million**.

## **Lease Commitments**

We are a lessee under certain operating leases for office space and equipment. Certain of our operating leases have terms that impose asset retirement obligations due to office modifications or the periodic redecoration of the premises, which are included in other liabilities on our condensed consolidated balance sheets and are recorded at a value based on their estimated discounted cash flows. At **September 30, 2023** **March 30, 2024**, we expect to incur asset retirement obligation or redecoration obligation costs over the next twelve months of \$0.1 million. The remainder of our asset retirement obligations and redecoration obligations are approximately \$2.7 million and are expected to be paid between fiscal year **2026** **2025** and fiscal year 2031 when the underlying leases terminate or when the respective lease agreement requires redecoration. We expect to satisfy these lease and related obligations as they become due from cash generated from operations.

## **Indebtedness**

CRA is party to a Credit Agreement, dated as of August 19, 2022 (the "Credit Agreement") with Bank of America, N.A., as swingline lender, a letter of credit issuing bank and administrative agent, and with Citizens Bank, N.A., as a letter of credit issuing bank. The Credit Agreement provides CRA with a \$250.0 million revolving credit facility, which may be decreased at CRA's option to \$200.0 million during the period from July **16th** **16** in a year through January **15th** **15** in the next year. Additionally, for the period from January **16th** **16** to July **15th** **15** of each calendar year, CRA may elect to not increase the revolving credit facility to \$250.0 million. The revolving credit facility includes a \$25.0 million sublimit for the issuance of letters of credit.

**There was \$32.0 million in borrowings outstanding under the revolving credit facility as of September 30, 2023 and no borrowings outstanding as of December 31, 2022. As of September 30, 2023, the amount available under the revolving credit facility was reduced by certain letters of credit outstanding, which amounted to \$4.5 million.**

We may use the proceeds of the revolving credit loans under the Credit Agreement for general corporate purposes and may repay any borrowings under the revolving credit facility at any time, but any borrowings must be repaid no later than August 19, 2027. Borrowings under the revolving credit facility bear interest at a rate per annum equal to one of the following rates, at our election, plus an applicable margin as described below: (i) in the case of borrowings in U.S. dollars by us, the Base Rate (as defined in the Credit Agreement), (ii) in the case of borrowings in U.S. dollars, a rate based on Term SOFR (as defined in the Credit Agreement) for the applicable interest period, (iii) in the case of borrowings in Euros, EURIBOR (as defined in the Credit Agreement) for the applicable interest period, (iv) in the case of borrowings in Pounds Sterling, a daily rate based on SONIA (as defined in the Credit Agreement), (v) in the case of borrowings in Canadian Dollars, CDOR (as defined in the Credit Agreement) for the applicable interest period, (vi) in the case of borrowings in Swiss Francs, a daily rate based on SARON (as defined in the Credit Agreement), or (vii) in the case of borrowings in any other Alternate Currency (as defined in the Credit Agreement), the relevant daily or term rate determined as provided in the Credit Agreement. The applicable margin on borrowings based on the Base Rate varies within a range of 0.25% to 1.00% depending on our consolidated net leverage ratio, and the applicable margin on borrowings based on any of the other rates described above varies within a range of 1.25% to 2.00% depending on our consolidated net leverage ratio.

We are required to pay a fee on the amount available to be drawn under any letter of credit issued under the revolving credit facility at a rate per annum that varies between 1.25% and 2.00% depending on our consolidated net leverage ratio. In addition, we are required to pay a fee on the unused portion of the revolving credit facility at a rate per annum that varies between 0.175% and 0.250% depending on our consolidated net leverage ratio.

Under the Credit Agreement, CRA must comply with various financial and non-financial covenants. The primary financial covenants consist of a maximum consolidated net leverage ratio of 3.0 to 1 and a minimum consolidated interest coverage ratio of 2.5 to 1. The primary non-financial covenants include, but are not limited to, restrictions on CRA's ability to incur future indebtedness, engage in acquisitions or dispositions, pay dividends or repurchase capital stock, and enter into business combinations. Any indebtedness outstanding under the revolving credit facility may become immediately due upon the occurrence of stated events of default, including CRA's failure to pay principal, interest or fees, or upon the breach of any covenant. As of **September 30, 2023** **March 30, 2024**, CRA was in compliance with the covenants of the Credit Agreement.

There was \$70.0 million in borrowings outstanding under the revolving credit facility as of March 30, 2024 and no borrowings outstanding as of December 30, 2023. As of March 30, 2024, the amount available under the revolving credit facility was reduced by certain letters of credit outstanding, which amounted to \$4.5 million.

### ***Forgivable Loans***

In order to attract and retain highly skilled professionals, we may issue forgivable loans or term loans to employees and non-employee experts. A portion of these loans is collateralized by key person life insurance. The forgivable loans have terms that are generally between two and six years. The principal amount of forgivable loans and accrued interest is forgiven by us over the term of the loans, so long as the employee or non-employee expert continues employment or affiliation with us and complies with certain contractual requirements. The **expense associated with the** **forgiveness of the principal amount of the loans is recorded as compensation expense** over the service period, which is consistent with the term of the loans.

### ***Compensation Arrangements***

We have entered into compensation arrangements for the payment of performance awards to certain of our employees and non-employee experts that are payable if specific performance targets are met. The financial targets may include a measure of revenue generation, profitability, or both. The amounts of the awards to be paid under these compensation arrangements could fluctuate depending on future performance during the applicable measurement periods. Changes in the estimated awards are expensed prospectively over the remaining service period. We believe that we will have sufficient funds to satisfy any cash obligations related to the performance awards. We expect to fund any cash payments from existing cash resources, cash generated from operations, or borrowings available on our revolving credit facility.

Our Amended and Restated 2006 Equity Incentive Plan, as amended (the "2006 Equity Plan"), authorizes the grant of a variety of incentive and performance equity awards to our directors, employees and non-employee experts, including stock options, shares of restricted stock, restricted stock units, and other equity awards. At the annual meeting of our shareholders held on July 13, 2023, our shareholders approved amendments to our Amended and Restated 2006 Equity Incentive Plan (as so amended, the "Plan") which, among other things, (i) increased the maximum number of shares issuable under the Plan by 500,000 shares of our common stock, no par value, (ii) limited the term of any stock appreciation right to ten years, (iii) made other minor revisions to further clarify the terms of the Plan and (iv) included certain amendments to the French Sub-plan which is part of the Plan.

In 2009, the compensation committee of our Board of Directors adopted our Our long-term incentive program, (the "LTIP"), or "LTIP," is used as a framework for equity grants made under our 2006 Equity Plan equity incentive plan to our senior corporate leaders, practice leaders, and key revenue generators. The equity awards granted under the LTIP include stock options, time-vesting restricted stock units, and performance-vesting restricted stock units.

In December 2016, our compensation committee modified the Our LTIP allows us to allow grants of grant service- and performance-based cash awards in lieu of, or in addition to, equity awards to our senior corporate leaders, practice leaders, and key revenue generators. The compensation committee of our Board of Directors is responsible for approving all cash and equity awards under the LTIP. We expect to fund any cash payments from existing cash resources, cash generated from operations, or borrowings available under our revolving credit facility.

### **Business and Talent Acquisitions**

As part of our business, we regularly evaluate opportunities to acquire other consulting firms, practices or groups, or other businesses. In recent years, we have typically paid for acquisitions with cash, or a combination of cash and our common stock, and we may continue to do so in the future. To pay for an acquisition, we may use cash on hand, cash generated from our operations, borrowings available under our revolving credit facility, or we may pursue other forms of financing. Our ability to secure short-term and long-term debt or equity financing in the future, including our ability to refinance our credit agreement, will depend on several factors, including our future profitability, the levels of our debt and equity, restrictions under our existing revolving credit facility with our bank, and the overall credit and equity market environments. We completed two business acquisitions during the first and fourth quarters of fiscal 2022, which are further described in Note 2, "Business Acquisitions" in Part I, Item I, "Financial Statements" of this report.

### **Share Repurchases**

In March 2023, February 2024, we announced that our Board of Directors authorized an expansion of our existing share repurchase program of an additional \$20.0 million \$35.0 million of our common stock. We may repurchase shares under this program in open market purchases (including through any Rule 10b5-1 plan adopted by us) or in privately negotiated transactions in accordance with applicable insider trading and other securities laws and regulations.

During the fiscal quarter ended September 30, 2023, we did not repurchase any shares under this share repurchase program. For the fiscal year-to-date period ended September 30, 2023 March 30, 2024, we repurchased and retired 211,971 65,882 shares under our share repurchase program at an average price per share of \$111.23, \$140.29. During the fiscal quarter and fiscal year-to-date period ended October 1, 2022 April 1, 2023, we repurchased and retired 51,524 shares and 319,534 180,881 shares under our share repurchase program at an average price per share of \$97.04 and \$86.47, respectively. \$113.76.

As of September 30, 2023 March 30, 2024, we had approximately \$19.3 million \$37.2 million available for future repurchases under our share repurchase program. We plan to finance future repurchases with available cash, cash from future operations, and borrowings available under our revolving credit facility. We expect to continue to repurchase shares under our share repurchase program.

### ***Dividends to Shareholders***

We anticipate paying regular quarterly dividends each year. These dividends are anticipated to be funded through cash flow from operations, available cash on hand, and/or borrowings available under our revolving credit facility. Although we anticipate paying regular quarterly dividends on our common stock for the foreseeable future, the declaration, timing and amounts of any such dividends remain subject to the discretion of our Board of Directors. During the fiscal quarter and fiscal year-to-date period ended September 30, 2023 March 30, 2024, we paid dividends and dividend equivalents of \$2.5 million and \$7.8 million, respectively. \$3.1 million. During the fiscal quarter and fiscal year-to-date period ended October 1, 2022 April 1, 2023, we paid dividends and dividend equivalents of \$2.2 million and \$6.9 million, respectively.

\$2.7 million.

### ***Impact of Inflation***

To date, inflation has not had a material impact on our financial results. There can be no assurance, however, that inflation will not adversely affect our financial results in the future.

### ***Future Capital and Liquidity Needs***

We anticipate that our future capital and liquidity needs will principally consist of funds required for:

- operating and general corporate expenses relating to the operation of our business, including the compensation of our employees under various annual bonus or long-term incentive compensation programs;
- the hiring of individuals to replenish and expand our employee base;
- capital expenditures, primarily for information technology equipment, office furniture and leasehold improvements;
- debt service and repayments, including interest payments on borrowings from our revolving credit facility;
- share repurchases under programs that we may have in effect from time to time;

- dividends to shareholders;
- potential acquisitions of businesses that would allow us to diversify or expand our service offerings;
- contingent obligations related to our acquisitions; and
- other known future contractual obligations.

The hiring of individuals to replenish and expand our employee base is an essential part of our business operations and has historically been funded principally from operations. Many of the other above activities are discretionary in nature. For example, capital expenditures can be deferred, acquisitions can be forgone, and share repurchase programs and regular dividends can be suspended. As such, our operating model provides flexibility with respect to the deployment of cash flow from operations. Given this flexibility, we believe that our cash flows from operations, supplemented by cash on hand and borrowings under our revolving credit facility (as necessary), will provide adequate cash to fund our long-term cash needs from normal operations for at least the next twelve months.

Our conclusion that we will be able to fund our cash requirements by using existing capital resources and cash generated from operations does not take into account the impact of any future acquisition transactions or any unexpected significant changes in the number of employees or other expenditures that are currently not contemplated. The anticipated cash needs of our business could change significantly if we pursue and complete additional business acquisitions, if our business plans change, if economic conditions change from those currently prevailing or from those now anticipated, or if other unexpected circumstances arise that have a material effect on the cash flow or profitability of our business. Any of these events or circumstances, including any new business opportunities, could involve significant additional funding needs in excess of the identified currently available sources and could require us to raise additional debt or equity funding to meet those needs on terms that may be less favorable compared to our current sources of capital. Our ability to raise additional capital, if necessary, is subject to a variety of factors that we cannot predict with certainty, including:

- our future profitability;
- the quality of our accounts receivable;
- our relative levels of debt and equity;
- the volatility and overall condition of the capital markets; and
- the market prices of our securities.

## Factors Affecting Future Performance

Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this report, as well as a description of material risks we face, are set forth below under the heading "Risk Factors" and included in Part I, Item 1A, "Risk Factors" of our **2022 2023** Form 10-K. If any of these risks, or any risks not presently known to us or that we currently believe are not significant, develops into an actual event, then our business, financial condition, and results of operations could be adversely affected.

## **ITEM 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes in our exposure to market risk during the fiscal quarter ended **September 30, 2023** **March 30, 2024**. For information regarding our exposure to certain market risks, see Part II, Item 7A, "Quantitative and Qualitative Disclosures about Market Risk" of our **2022** **2023** Form 10-K.

## **ITEM 4. Controls and Procedures**

### *Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. This is done in order to ensure that information we are required to disclose in the reports that are filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Based upon that evaluation, our President and Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of **September 30, 2023** **March 30, 2024**.

Management has concluded that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material aspects, our financial position at the end of, and the results of operations and cash flows for, the periods presented in conformity with accounting principles generally accepted in the United States.

### *Evaluation of Changes in Internal Control over Financial Reporting*

Under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Chief Financial Officer, we evaluated whether there were any changes in our internal control over financial reporting during the **third** **first** quarter of fiscal **2023** **2024**. There were no changes in our internal control over financial reporting identified in connection with the above evaluation that occurred during the **third** **first** quarter of fiscal **2023** **2024** that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

### *Important Considerations*

The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to various inherent limitations, including judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover,

projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, there can be no assurance that any system of disclosure controls and procedures or internal control over financial reporting will be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management.

## PART II. OTHER INFORMATION

### ITEM 1. Legal Proceedings

None.

### ITEM 1A. Risk Factors

There are many risks and uncertainties that can affect our future business, financial performance or results of operations. In addition to the other information set forth in this report, please review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Part I, Item 1A, "Risk Factors" in our **2022** **2023** Form 10-K. There have been no material changes to these risk factors during the **fiscal** quarter ended **September 30, 2023** **March 30, 2024**.

### ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable.

(b) Not applicable.

(c) The following provides information about our repurchases of shares of our common stock during the fiscal quarter ended **September 30, 2023** **March 30, 2024**. During that period, we did not act in concert with any affiliate or any other person to acquire any of our common stock and, accordingly, we do not believe that purchases by any such affiliate or other person (if any) are reportable in the following table. For purposes of this table, we have divided the fiscal quarter into three periods of four weeks, four weeks, and five weeks, respectively, to coincide with our reporting periods during the **third** **first** quarter of fiscal **2023** **2024**.

#### Issuer Purchases of Equity Securities

Period	Number of shares purchased	Average price per share	Total number of shares purchased	Total dollar amount purchased
First quarter	0	\$0.00	0	\$0.00
Second quarter	0	\$0.00	0	\$0.00
Third quarter	0	\$0.00	0	\$0.00
Total	0	\$0.00	0	\$0.00

Period	(a) Total Number of Shares Purchased(1)(2)	(b) Average Price Paid per Share(1) (2)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
				(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
				(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
July 2, 2023 to July 29, 2023	299	\$ 105.43	—	\$ 19,277,193
July 30, 2023 to August 26, 2023	—	\$ —	—	\$ 19,277,193
August 27, 2023 to September 30, 2023	—	\$ —	—	\$ 19,277,193

Period	(a) Total Number of Shares Purchased(1)(2)	(b) Average Price Paid per Share(1) (2)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
				(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
				(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans
December 31, 2023 to January 27, 2024	—	\$ —	—	\$ 11,436,962
January 28, 2024 to February 24, 2024	4,230	\$ 108.63	—	\$ 11,436,962
February 25, 2024 to March 30, 2024	74,178	\$ 140.38	65,882	\$ 37,194,638

- (1) During the four weeks ended **July 29, 2023** **February 24, 2024**, we accepted **299** **4,230** shares of our common stock as a tax withholding from certain of our employees in connection with the vesting of shares of restricted stock that occurred during the indicated period, pursuant to the terms of our 2006 **equity incentive plan**, **Equity Plan**, at the average price of **\$105.43**, **\$108.63**. During the five weeks ended **March 30, 2024**, we accepted 8,296 shares of our common stock as a tax withholding from certain of our employees in connection with the vesting of shares of restricted stock and restricted stock units that occurred during the indicated period, pursuant to the terms of our 2006 **Equity Plan**, at the average price per share of **\$141.15**.
- (2) On **March 2, 2023** **February 29, 2024**, we announced that our Board of Directors authorized an expansion to our existing share repurchase program of an additional **\$20.0 million** **\$35.0 million** of outstanding shares of our common stock. We may repurchase shares under this

program in open market purchases (including through any Rule 10b5-1 plan adopted by us) or in privately negotiated transactions in accordance with applicable insider trading and other securities laws and regulations. During the fiscal quarter ended **September 30, 2023** **March 30, 2024**, we **did not repurchase any** repurchased and **retired 65,882** shares under **this** our share repurchase program. program at an average price per share of **\$140.29**. Approximately **\$19.3 million** **\$37.2 million** was available for future repurchases under this program as of **September 30, 2023** **March 30, 2024**. We expect to continue to repurchase shares under this program.

### **ITEM 3. Defaults Upon Senior Securities**

None.

### **ITEM 4. Mine Safety Disclosures**

None.

### **ITEM 5. Other Information**

During the period ended **September 30, 2023** **March 30, 2024**, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408 of Regulation S-K).

### **ITEM 6. Exhibits**

Item No.	Filed with this Form	10-Q	Description
3.1			<a href="#">Amended and Restated Articles of Organization, as amended by the Articles of Amendment to our Articles of Organization filed on May 6, 2005 (incorporated by reference to Exhibit 3.1 to our annual report on Form 10-K filed on February 27, 2020).</a>
3.2			<a href="#">Amended and Restated By-Laws, as amended (incorporated by reference to Exhibit 3.2 to our current report on Form 8-K filed on January 31, 2011).</a>
10.1			<a href="#">Amended and Restated 2006 Equity Incentive Plan, as amended (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on July 17, 2023).</a>
31.1	X		<a href="#">Certification of Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	X		<a href="#">Certification of Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	X		<a href="#">Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2	X		<a href="#">Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101	X		<p>The following financial statements from CRA International, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended <b>September 30, 2023</b> <b>March 30, 2024</b>, formatted in Inline XBRL (eXtensible Business Reporting Language), as follows: (i) Condensed Consolidated Statements of Operations (unaudited) for the fiscal quarters <b>ended March 30, 2024</b> and <b>fiscal year-to-date periods ended September 30, 2023 and October 1, 2022 April 1, 2023</b>, (ii) Condensed Consolidated Statements of Comprehensive Income (unaudited) for the fiscal quarters <b>ended March 30, 2024</b> and <b>fiscal year-to-date periods ended September 30, 2023 and October 1, 2022 April 1, 2023</b>, (iii) Condensed Consolidated Balance Sheets (unaudited) at <b>September 30, 2023</b> <b>March 30, 2024</b> and <b>December 31, 2022 December 30, 2023</b>, (iv) Condensed Consolidated Statements of Cash Flows (unaudited) for the fiscal <b>year-to-date periods quarters ended September 30, 2023 March 30, 2024</b> and <b>October 1, 2022 April 1, 2023</b>, (v) Condensed Consolidated Statement of Shareholders' Equity (unaudited) for the fiscal <b>year-to-date periods quarter ended September 30, 2023 March 30, 2024</b> and <b>October 1, 2022 April 1, 2023</b>, and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).</p>
104			Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

## 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 thereunto duly authorized.

CRA INTERNATIONAL, INC.

Date: **November 2, 2023** **May 2, 2024**

By: \_\_\_\_\_ **/s/ PAUL A. MALEH**

Paul A. Maleh

*President and Chief Executive Officer*

Date: **November 2, 2023** **May 2, 2024**

By: \_\_\_\_\_ **/s/ DANIEL K. MAHONEY**

Daniel K. Mahoney

*Chief Financial Officer, Executive Vice President  
and Treasurer*

**28** **25**

**Exhibit 31.1**

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul A. Maleh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "report") of CRA International, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ PAUL A. MALEH

Paul A. Maleh

President and Chief Executive Officer

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Daniel K. Mahoney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "report") of CRA International, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to **adversely affect** the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** **May 2, 2024**

By: /s/ DANIEL K. MAHONEY

Daniel K. Mahoney

Chief Financial Officer, Executive Vice President and  
Treasurer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. §1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of CRA International, Inc. (the "Company") on Form 10-Q for the quarter ended **September 30, 2023** **March 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned President and Chief Executive Officer of the Company, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ PAUL A. MALEH

Paul A. Maleh

President and Chief Executive Officer

Date: November 2, 2023 May 2, 2024

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO  
18 U.S.C. §1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of CRA International, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 March 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Financial Officer, Executive Vice President and Treasurer of the Company, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ DANIEL K. MAHONEY

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Daniel K. Mahoney

Chief Financial Officer, Executive Vice President and  
Treasurer

Date: November 2, 2023 May 2, 2024

## DISCLAIMER

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